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Canada. Veterans Affairs, - special
Committee on, 1953/54

(HOUSE OF COMMONS

770 cm

First Session—Twenty-second Parliament
1953-54

(41)

SPECIAL COMMITTEE

ON

VETERANS AFFAIRS

Chairman: W. A. TUCKER, Esq.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 1

FRIDAY, MAY 14, 1954

WEDNESDAY, MAY 19, 1954

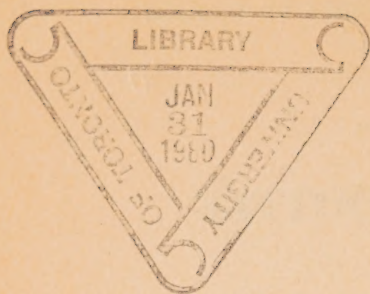
WITNESSES:

Dr. C. B. Lumsden, Dominion President, and

Mr. D. M. Thompson, Chief Welfare Officer, of the Canadian Legion,
B.E.S.L.

EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1954.





SPECIAL COMMITTEE
ON
VETERANS AFFAIRS

Chairman: W. A. Tucker, Esq.
and Messrs.

Balcom	Gauthier (<i>Portneuf</i>)	MacLean
Bennett (<i>Grey North</i>)	Gillis	Murphy (<i>Westmorland</i>)
Brooks	Goode	Nesbitt
Cardin	Green	Philpott
Cavers	Hanna	Quelch
Croll	Harkness	Roberge
Dickey	Henderson	Stick
Dinsdale	Herridge	Thomas
Enfield	Jones	Weaver
Forgie	MacDougall	Weselak

A. CHASSE,
Clerk of the Committee.



ORDERS OF REFERENCE

HOUSE OF COMMONS,

THURSDAY, February 11, 1954.

Ordered—That the following Bill be referred to a Special Committee on Veterans Affairs to be appointed at a later date:

Bill No. 101, An Act respecting Benefits for Members of the Canadian Forces.

THURSDAY, February 25, 1954.

Ordered—That the following Bill be referred to a Special Committee on Veterans Affairs to be appointed at a later date:

Bill No. 82, An Act to amend the War Service Grants Act.

MONDAY, May 10, 1954.

Resolved—That a Special Committee consisting of 31 members, to be designated by the House at a later date, be appointed to consider the Bill to amend the War Service Grants Act and the Bill respecting Benefits for Members of the Canadian Forces, and such other legislation relating to Veterans Affairs as may be referred from time to time to the said Committee; that the said Committee shall have power to send for persons, papers and records, to print from day to day its minutes of proceedings and evidence, to sit while the House is sitting and to report from time to time; that the quorum of the said Committee shall consist of ten members; and that the provisions of Standing Orders 64 and 65 be suspended in relation thereto.

MONDAY, May 10, 1954.

Resolved—That the Special Committee on Legislation relating to Veterans Affairs, appointed this day, consist of the following Members: Messrs. Balcom, Bennett (*Grey North*), Brooks, Cardin, Cavers, Croll, Dickey, Dinsdale, Enfield, Forgie, Gauthier (*Portneuf*), Gillis, Goode, Green, Hanna, Harkness, Henderson, Herridge, Jones, MacDougall, MacLean, Murphy (*Westmorland*), Nesbitt, Philpott, Quelch, Roberge, Stick, Thomas, Tucker, Weaver and Weselak.

TUESDAY, May 11, 1954.

Ordered—That the following Bill be referred to the said Committee.

Bill No. 339, An Act to amend the Pension Act.

WEDNESDAY, May 19, 1954.

Resolved—That the following Bill be referred to the said Committee:

Bill No. 459, An Act to amend the Veterans' Land Act.

Attest.

LEON J. RAYMOND.
Clerk of the House.

MINUTES OF PROCEEDINGS

HOUSE OF COMMONS, ROOM 430

FRIDAY, May 14, 1954.

The Special Committee on Veterans Affairs met at 10.30 o'clock a.m.

Members present: Messrs. Balcom, Bennett (*Grey North*), Brooks, Cardin, Cavers, Dinsdale, Enfield, Forgie, Gauthier (*Portneuf*), Gillis, Goode, Hanna, Harkness, Herridge, Jones, MacDougall, MacLean, Philpott, Quelch, Roberge, Stick, Tucker, Weaver, and Weselak.

The Clerk of the Committee attended to the election of a Chairman.

Mr. Gauthier (*Portneuf*), nominated Mr. Tucker as Chairman of the Committee.

No other nomination having been made, Mr. Tucker was declared unanimously elected Chairman and invited to take the Chair.

The Chairman thanked the members for their confidence in selecting him to preside over the Committee again.

Mr. Herridge, on behalf of the opposition members on the Committee, greeted the return of Mr. Tucker to the Committee and expressed their pleasure in his resuming the Chair.

On motion of Mr. Cavers,

Resolved,—That a Sub-committee on Agenda and Procedure, comprising the Chairman and 8 members to be named by him, be appointed.

Whereupon the Chairman designated the following members to act with him on the said Sub-committee: Messrs. Bennett, Brooks, Croll, Gillis, Green, MacDougall, Quelch, and Roberge.

On motion of Mr. Herridge, the following matters were referred to the Sub-committee on Agenda and Procedure with instructions to report thereon:

- (a) in what order Bills 82, 101, and 339, now referred, to be taken into consideration?
- (b) what witnesses, in respect of any of the above-named bills, shall be heard?
- (c) number of copies of proceedings, in English and French, to be printed in accordance with the Order of Reference?
- (d) future meetings in the light of the projected program of other committees of the House still active.

At 10.50 o'clock a.m., the Committee adjourned to meet again at the call of the Chair.

ROOM 497,

WEDNESDAY, May 19, 1954.

The Committee met at 3.30 o'clock p.m. The Chairman, Mr. Walter A. Tucker, presiding.

Members present: Messrs. Bennett (*Grey North*), Brooks, Cardin, Cavers, Croll, Dickey, Enfield, Forgie, Gauthier (*Portneuf*), Gillis, Goode, Hanna, Harkness, Henderson, Herridge, Jones, MacDougall, MacLean, Murphy (*Westmorland*), Nesbitt, Philpott, Quech, Roberge, Stick, Thomas, and Tucker.

In attendance: Honourable Hugues Lapointe, M.P., Minister of Veterans Affairs; Mr. E. L. M. Burns, Deputy Minister; Mr. G. L. Lalonde, Assistant Deputy Minister; Mr. G. H. Parliament, Director General of Welfare Services; Mr. J. L. Melville, Chairman, and Mr. Leslie A. Mutch, Deputy Chairman, of the Canadian Pension Commission; Mr. C. B. Topp, Chief Pensions Advocate; Dr. C. B. Lumsden, Dominion President of the Canadian Legion, with Mr. T. D. Anderson, General Secretary and Mr. D. M. Thompson, Chief Welfare Officer; Mr. E. J. Rider, Research Adviser, Department of Veterans Affairs.

The Chairman read the Report of the Sub-committee on Agenda and Procedure, as follows:

Your Sub-committee met at 2 o'clock p.m. Friday, May 14, when the following members were present: Messrs. Bennett (*Grey North*), Brooks, Gillis, Green, MacDougall, Quelch, Roberge and Tucker.

Pursuant to the instructions contained in the resolution passed by the Committee, earlier on this day, your Sub-committee has given consideration to the matters therein referred and your Sub-committee recommends as follows:

- (a) that Bills 82, 101 and 339 be considered in their numerical order;
- (b) that representatives of the Canadian Legion be invited to attend before the Committee on Wednesday, May 19, at 3.30 p.m., and that the Clerk be instructed to communicate with representatives of the National Council of Veterans Association and Canadian Non-pensioned Veterans' Widows to ascertain whether or not they wish to make representations in writing and/or orally to the Committee;
- (c) that 1,000 copies in English and 200 copies in French be printed from day to day of the Minutes of Proceedings and Evidence;
- (d) that beginning with the week of May 24, the objective of the Committee be at least 4 meetings per week.

All of which is respectfully submitted.

On motion of Mr. Croll, the said Report was adopted.

The Chairman then introduced the representatives of the Canadian Legion, Dr. C. B. Lumsden, the Dominion President, presented the Legion's Brief and was questioned thereon. Mr. D. M. Thompson, the Legion's Chief Welfare Officer, was also questioned on specific points arising out of Dr. Lumsden's deposition.

At the conclusion of the Legion's presentation, the Chairman extended the Committee's thanks to Dr. Lumsden and Mr. Thompson for their valuable contribution and the witnesses were allowed to retire with the understanding that they would be subject to recall if and when necessary.

The Chairman informed the Committee that the delegation of the Canadian Non-pensioned Veterans' Widows would attend before the Committee on the following day.

At 4.45 o'clock p.m., the Committee adjourned to meet again at 11 o'clock a.m., Thursday, May 20, 1954.

ANTOINE CHASSE,
Clerk of the Committee.

EVIDENCE

MAY 19, 1954.

3.30 P.M.

The CHAIRMAN: Gentlemen, if the committee will come to order we will deal with the first order of business which is the report of the subcommittee on agenda and procedure which was set up at the first meeting of the committee. The report is as follows:

SPECIAL COMMITTEE ON VETERANS AFFAIRS REPORT OF SUB-COMMITTEE ON AGENDA AND PROCEDURE

Your Sub-committee met at 2.00 o'clock p.m., Friday, May 14, when the following members were present: Messrs. Bennett, Brooks, Gillis, MacDougall, Quelch, Roberge and Tucker.

Pursuant to the instructions contained in the resolution passed by the Committee, earlier on this day, your Sub-committee has given consideration to the matters therein referred and your Sub-committee recommends as follows:

- (a) that bills 82, 101 and 339 be considered in their numerical order;
- (b) that representatives of the Canadian Legion be invited to attend before the Committee on Wednesday, May 19, at 3.30 p.m., and that the Clerk be instructed to communicate with representatives of the National Council of Veterans Association and Canadian Non-Pensioned Veterans' Widows to ascertain whether or not they wish to make representations in writing and/or orally to the Committee;
- (c) that 1,000 copies in English and 200 copies in French be printed from day to day of the Minutes of Proceedings and Evidence;
- (d) that beginning with the week of May 24, the objective of the Committee be at least four (4) meetings a week.

All of which is respectfully submitted.

Walter Tucker,
Chairman.

Mr. CROLL: I will move the adoption of the report.
Carried.

The CHAIRMAN: We have the privilege of having the representatives of the Canadian Legion before us today. They have made some very helpful submissions to committees on Veterans Affairs down through the years and I think all members of this committee would wish me to extend to them a most hearty welcome on their appearance before this committee today. I understand the brief is to be presented by the president of the Canadian Legion, Mr. Lumsden, and he is supported by the vice-president, Mr. Anderson. I will now call on Mr. Lumsden to present the brief of the Canadian Legion.

Dr. C. B. Lumsden, Dominion President, The Canadian Legion, called:

The WITNESS: Shall I stand?

The CHAIRMAN: You may sit or stand as you like.

The WITNESS: First of all, Mr. Chairman, I would like to express our appreciation of being allowed to meet with you and make these representations on behalf of the veterans and since there is one bill, I believe, that has not yet been brought down on the Veterans Land Act, we would like to reserve the privilege of a further appearance if it seems necessary on behalf of that bill.

With some of the proposed legislation we are in full agreement; some of it we will question; however, some of our most serious criticism is not directed against anything in the bills that you will consider, but at the total absence of any recommendation in connection with two of our most pressing problems—war veterans' allowance and the rates of pensions for dependent parents.

War Veterans Allowance

The last Committee on Veterans Affairs, set up to advise on Bill 181—the bill to rewrite the War Veterans Allowance Act—made a unanimous recommendation that more consideration be given to the needs of those on war veterans allowance, especially in respect to permissive income.

Because of that, because of the fact that no action was taken at the succeeding session, and because of the support our recent brief received from many members of the House at the opening of this the first session of the new parliament, it seemed obvious to the membership of the legion that some definite recommendation would be placed before the present Committee on Veterans Affairs.

We are happy to acknowledge the easing of the regulations in regard to casual earnings, but this has not altered the main problem; and we would express our surprise and our keen sense of disappointment that the government has not seen fit to recommend any change in the War Veterans Allowance Act at this time. We cannot accept that refusal as final and we know that at our convention in August there will be a cumulative demand that something be done about this problem. We trust gentlemen of all parties, veterans in your own right—that you will lend us your full support in behalf of our less fortunate comrades.

The same economic conditions that necessitated an increase in disability pensions and the upward revision of salaries, actual or prospective, for all groups—the armed services, the civil service, the judiciary, the Canadian Pension Commission, and both houses of parliament,—press equally heavily on those in receipt of the war veterans allowance; and the membership of the legion, all across the country, had anticipated that the government, being aware of this, would have taken it into consideration.

Without the service and sacrifice of the war veteran the position of Canada, today, could have been very different; and the oft repeated statement that “when other expenses are curtailed, the matter of social welfare, including war veterans' allowance, will be reconsidered” is not justifiable. This group that stood in the breach, has earned the right to something more than to be classified with social service cases and deserves better from this country than a directive to await the curtailing of other expenses.

As has been pointed out before, the Act neither provides for full sustenance nor for assistance towards full sustenance; but, by its own restrictions, pegs the standard of living, for those recipients unable to benefit by Section 4 or the easing of the regulations in respect to casual earnings, far below that enjoyed by the average Canadian.

The last parliamentary committee went on record as agreeing that something should be done to increase the ceiling on permissive income for the recipients of war veterans allowance. If this recommendation was implemented, the good it could accomplish would far outweigh the cost to the country; and Canada never yet has opposed any effort made by any government to repay, in part, its debt to these men.

We would draw to your attention the contents of a letter to the Prime Minister that was published in the "Legionary", October 1953, which expresses our views in a concise form.

"Dear Mr. St. Laurent:

For some years we have been asking for a revision of the War Veterans Allowance Act which would raise the ceiling on permissible income and permit an increase in the basic allowance for those with no other means of support. To us the moral and sociological reasons in favour of these changes seem overwhelming and our members find it difficult to understand why our representations have not been accepted.

There is little that we can add to the briefs previously presented. We would merely like to reiterate that as the Act stands at present it tends to defeat its own objectives. If the allowance is intended to assist the aged and needy veteran, the low permissive ceiling prevents him from supplementing his allowance sufficiently to enjoy a reasonable standard of living. If it is intended as a subsistence allowance, it is far too small.

The taxation laws of Canada consider that an income of less than \$2,000 is too low for a married man to pay income tax. Yet war veterans allowance expects a married couple to live on \$1,200 a year.

The war veterans allowance regulations themselves recognize that the ceiling is too low, and under Section 4 and the regulations about casual earnings, permit it to be substantially exceeded. Yet for those unable to avail themselves of these provisions no exceptions are permitted.

Section 4 and the provisions about casual earnings also recognize the desirability of self-help, but this recognition is not extended to those who by forethought and thrift have gained for themselves small pensions or retirement annuities. The great merit of our Old Age Security Act is that it recognizes the desirability of encouraging individual thrift and saving, but the War Veterans Allowance Act discourages it.

Our pension laws recognize that pensions for disabilities cannot be affected by the earnings of the individual, but the small pensioner who must also use war veterans' allowance finds his pension of little value because its amount is practically deducted from his allowance.

These and other anomalies would be largely eliminated if the ceiling on permissible income were substantially raised. The plight of the individual fully dependent on W.V.A. would need to be separately considered, at least until he reached the age of 70 when old age security provisions would help bring him up to an acceptable standard of living.

In view of the very real and pressing need of a great many of the men on W.V.A., may we respectfully ask that steps be taken immediately to rectify the present situation.

On behalf of the Canadian Legion.

Yours sincerely,

C. B. LUMSDEN,
Dominion President.

It is the earnest hope of the Canadian Legion that the present committee will realize the need and assume the responsibility of recommending immediate action in this matter.

Dependent Parents

Dependent parents did not benefit to any extent by the revision of pension rates in 1951. Previous to that date a widow, for example, received \$75 a month; a dependent widowed mother received \$75 a month. After the revision the widow received \$100—the dependent widowed mother still received \$75.

Yet the increase in the cost of living bore just as heavily upon the mother as upon anyone else. All the arguments which we advanced at that time to prove that pension rates must be revised to meet the increased cost of living applied with equal force to the pensions for dependent parents, and we cannot understand the persistent discrimination against them. We are disappointed that despite our continuing representations on their behalf no change in pension rates for this group is contemplated. We would reiterate our recommendation that these rates be \$100 a month for a single parent and \$125.00 a month when both parents are dependent.

This situation is worsened by the fact that actually few of the parents receive the maximum award permissible even under present rates. Some rectification has been secured by the legion's efforts but there must be a great many cases where either the legion's services are unknown or the recipients are not aware that anything can be done for them. In any case it would seem to us that there is need for a mandatory provision in the Act which would require the commission to award the maximum permissible less whatever other actual income the applicant has, and we would respectfully suggest that you so recommend. This would not apply to dependent widowed mothers where there is a measure of statutory protection, and earnings plus a permissive \$20 a month are expressly exempt from consideration as income.

There appears to be need for some clear-cut mandatory provision in the Act which will ensure that the applicant will receive the full amount permissible under the law.

As you are aware these awards are made on a basis of need up to a certain maximum stated in the Act itself. Despite the fact that this maximum is in many cases too low, actual awards under the Act are far below that permitted. Attention was called to this fact in a public address at the Ontario convention last August and later in a signed article in *The Legionary*. At that time, as far as we could determine from statistics available, the awards averaged less than 50% of the maximum. There has been, we are glad to say, a notable improvement since then and I believe now the awards average about 66% of the maximum.

Out of our experience in dealing with this class of pensioners we would make the following recommendations:

1. That rates be revised to bring them into line with other groups of pensioners. Our suggestions are \$100 a month for a single parent and \$125 where both parents are alive.

2. Mandatory provisions inserted in the Act which will ensure that the applicant receives the maximum award permissible under the Act. (Less other income)

3. Increases should be effective as from the date of application in order to rectify injustice caused by long delays in processing.

Now to deal with the legislation actually before this committee.

Bill 339—section 2

The Canadian Legion looks upon section 2 of Bill 339 as a serious potential infringement of one of the basic principles of the Canadian Pension Act.

The original, and I think the continuing intention of the Act, was that the Canadian Pension Commission be as independent as parliament can make it. This is as it should be.

After all the whole basis of our veteran and pension legislation rests on the conscience of the Canadian people who express their wishes through you their elected representatives. Parliament guards that trust, and indeed it is for the express purpose of executing the trust that the committee of parliamentary members meet here today.

But section 2 takes away from parliament the right to establish the quantum of salaries to be paid the pension Commission and give the right to the cabinet.

We feel that this is a definite move against the autonomy of the pension Commission, an autonomy which was established by parliament and must be protected by parliament.

The salaries of the judges of our courts are fixed by parliament. That is admittedly necessary for the safe functioning of our courts. We are confident that any attempt to make or to have the judges' salaries fixed by the executive branch of government would cause a mighty outcry across the nation.

We contend that the pension commission is also a judicial body, and as such it is important that it be left so far as possible in a position that it is answerable to parliament alone. We, therefore, most strongly urge upon the committee, that the time tested and vital principles by which the pension commission salaries are fixed by parliament should be retained. We feel most strongly that parliament must continue to control in every possible way the administration of the Canadian Pension Act.

Bill 339—sections 8 and 13

Section 8 and section 13 of Bill 339 would remove from the Pension Act the right of the commission to predate awards more than eighteen months from the date on which the pension is actually granted. We disagree with this suggested revision, which indeed is contrary to the established policy of the legion as indicated in resolution No. 10 of the dominion convention in Montreal, May, 1952.

"Be it resolved that section 27 (1) (a) (new numerals 33) be amended to provide with respect to assessment, payment of pension be awarded from date of application, and that with respect to entitlement for treatment at department expense such entitlement be acknowledged retroactive to the date on which the disability was first diagnosed."

Our resolution and the policy we would advocate would make it mandatory that when a decision is given favourable to the veteran, pension will be paid as of date of application. At present this is a matter which is left to the discretion of the Canadian Pension Commission but section 33 (1) of the Act limits this discretion to a maximum of twelve months. Section 33 (2) permits six months additional when hardship and distress would otherwise ensue, and section 33 (3) permits a further eighteen months retroactivation for World War II applicants where there are administrative delays beyond the applicant's control.

That is, whereas the proposed amendment would make the Act more restrictive, we contend that there is need that it should become more liberal. The argument has been advanced that our proposals would constitute a retrograde step. For a number of years after World War I pensions when granted became retroactive to the appearance of the disability or sometimes the date of discharge. As a result some awards involved large retroactive payments and it was argued that this fact made the commission extremely reluctant to grant the application. To do away with this psychological barrier a practical injustice was permitted in order to secure a more unbiased consideration of the merits of the applicant's claim without being unduly influenced by the financial consequences of a favourable decision.

Experience, however, has shown that there are many cases of delay beyond the applicant's control which often result, under present regulations, in both injustice and hardship. We believe that our resolution will go a long way to rectify these abuses. But in order to allay fears of excessive awards going back to World War I jeopardizing the chances of the applicant, we append the following saving clause. Date of application shall mean from the date on which

the applicant or his agent shall make application, and this provision of this resolution shall not apply to claims granted prior to January 1st, 1946, and no retroactive payments shall be made for a period prior to that date.

The reasonableness of the resolution should be apparent and we have repeatedly presented our views on the matter. We had hoped that when the Pension Act was opened up the present unjust situation would be rectified. On the contrary, we learn that bill 339 makes the administration of the Act even more restrictive and would remove subsections of the Act that at present permit some small remedy in certain cases, and no attempt at all is made to solve this grievous problem on a general basis for all applicants under the Pension Act.

The explanatory note to the bill states in part, "There is no cause for delay now, documentation is available, appeals are heard very soon after they are listed as ready". This note is somewhat misleading because oftentimes there is delay, though it may be no fault of the commission, and in any case no attempt is made to meet the obviously just contention that pension should be paid, when granted, as from the date of application.

The final paragraph of the explanatory note which states, "By departmental regulations, reimbursement for allowable treatment expenses for the pensionable condition may be granted for a period not exceeding three years from the effective date of the Canadian Pension Commission award" neglects to point out that this departmental regulation which we assume to be veterans treatment regulation—section 45—only applies in cases where the favourable C.P.C. decision is made subsequent to March 31st, 1953. This regulation does not provide any relief insofar as reimbursement for medical expenses is concerned in cases where the decision is dated prior to March 31st, 1953, nor does it provide for payment of pension or treatment allowances for any period not actually covered by a C.P.C. decision even if such decision is subsequent to March 31st, 1953.

Present regulations make no provision whatsoever towards meetings cases of obvious injustice, where through error, negligence or other cause, utterly beyond the control of the applicant, pension is unduly delayed. That error, negligence, human failure of some kind is bound to appear so long as the C.P.C. and its staff are composed of human beings is obvious. We handle a great many less cases than the commission but these factors plague us.

Furthermore, there are many cases which by their very nature lend themselves to delay. Cases which are difficult to establish and which may draw repeated adverse decisions yet be inherently just cases which are eventually established. Now whether the case is easy or difficult to establish, if it is just, the rights of the applicant are the same and the obligations of the country are the same and it obviously is not fair that the applicant should be so heavily penalized because of the inherent difficulty of establishing his right to entitlement. The following examples will illustrate the types of delay that do occur and the need for remedial legislation.

Now, Mr. Thompson, the chief of our service bureau, is entirely familiar with these cases and I will ask him to present them to you and answer any questions. The point we are making is that the present regulations are such that no adequate provision is made where, on account of delay, whether it be through error or negligence or any cause beyond the applicant's control, the delay has been excessive and it may be years that the applicant is in serious want because he has not been able to secure a favourable decision although the case may eventually be granted.

I will now call upon Mr. Thompson to deal with the cases we have cited in our brief. Mr. Donald Thompson is the chief service officer of the Canadian Legion and it is through his department that all our pension and service

cases go. Mr. Thompson is thoroughly familiar with these typical cases which we want to call to your attention to illustrate the principles we are trying to establish.

Mr. THOMPSON: Gentlemen, you will notice that there are no names referred to in these cases. We do not disclose the names of these cases. We certainly would not want to make them public. However, they will be given to the Chairman, if the committee desires, so that anything you might want to check against the actual departmental records can be checked. You will notice that we have used case numbers instead of the names for these reasons. If you will turn to page 15 you will see that the first case referred to is case number 656/1. This concerns a veteran who had service on the high seas, in Africa, India and Australia. His condition was an eye condition which developed into quite a serious affair and resulted in the final removal of his eye. In 1948 the commission rendered its initial decision. They ruled Onychomycosis—post discharge, not attributable.

CONDITION:

Retrobulbar Neuritis with Iridocyclitis and Enucleation, right eye.

BORN:

28/7/19.

ENLISTED:

12/4/40.

THEATRE OF SERVICE:

Africa, India, Australia, High Seas.

DISCHARGED:

26/9/46.

20/1/48—Initial Decision by Canadian Pension Commission—
Onychomycosis—post discharge, not attributable.

In November, 1948—application made to veterans bureau in respect of Retrobulbar Neuritis with Iridocyclitis and Enucleation, right eye.

On 22/3/49—veterans bureau submit application.

On 5/7/49—C.P.C. 1st renewal decision—Onychomycosis—incurred during service.

Retrobulbar Neuritis with Iridocyclitis and Enucleation, right eye—post-discharge, not attributable.

On 25/10/50—appeal board decision—Retrobulbar Neuritis with Iridocyclitis and Enucleation—right eye, incurred during service, theatre of actual war, award effective 12 months prior to decision.

Then on 27/1/51 Veterans Bureau applied for retroactivation under 31 (2) and (3).

On 26/4/51—the application was declined.

16/7/51—Legion applied for retroactivation under Section 31 (2) and 31 (3).

24/7/51—Reply received from H.A.L. Conn, deputy chairman, outlining policy.

9/8/51—Legion again requested ruling under 31 (2).

4/9/51—C.P.C. grant six months' retroactivation 31 (2).

18/10/51—Application made under 31 (3) by Legion.

23/11/51—C.P.C. decline application under 31 (3).

27/11/51—Further application under 31 (3) by Legion.

7/1/52—Application declined.

19/12/52—Additional representations by Legion.

31/12/52—Additional representations by Legion.

5/1/53—Application granted. This made the award of pension effective 5/11/48.

The retroactivation granted allowed the man to be reimbursed to the extent of \$1,251.95, representing personal expenditures, because of his pensionable disability over the period covered. Also involved was the period in hospital for which \$80.00 hospital allowance was paid.

Referring to Mr. Conn's letter of 24/7/51 it is noted he states application of Section 31 (3) should be restricted to certain types of cases within one year subsequent to termination of World War II. The inference being that following that period Section 31 (3) would not be operative. Also that "Ordinary diligence on the part of the applicant should result in finality of decision well within the time stipulated in Section 31 (1)".

In a letter dated 17/12/51 the Chairman of the C.P.C. stated:

"I have also given my careful attention to your remarks regarding the opinions expressed by the deputy chairman in his letter of July 24th, and may say I am in entire agreement with the opinions expressed therein, and it is the responsibility of the commission to determine any question of interpretation of the Act (Section 5 (3))."

In this case the man made application for Appeal Board Hearing eleven days following 1st Renewal Hearing decision, but Appeal Board Hearing decision not rendered until 15 months later.

Now there is a case which benefited under Section 31 (1) after considerable representation.

The next case, 148/3 deals with the case of a man who had Schizophrenia. He enlisted in 1940 and was discharged in 1945 with service in the United Kingdom. This man, incidentally, was in a mental institution in 1947 and has not worked from 1947 to date.

CONDITION:

Schizophrenia

BORN:

29/12/16

ENLISTED:

9/12/40

THEATRE OF SERVICE

United Kingdom

DISCHARGED:

9/3/45

23/4/48—First application for pension.

16/6/48—C.P.C. initial decision—Schizophrenia—pre-enlistment, not aggravated.

4/10/48—C.P.C. First Renewal decision—same.

23/2/49—C.P.C. Second Renewal—same.

31/5/49—C.P.C. Third Renewal decision—same.

24/3/50—Appeal Board decision—same.

3/7/50—Application for leave to reopen by Veterans' Bureau.

27/7/50—Application not granted.

27/5/52—Application for leave to reopen by Legion.

10/6/52—Application granted.

6/8/52—Initial decision, C.P.C.—Schizophrenia—pre - enlistment not aggravated.

23/10/52—First Renewal decision C.P.C.—Schizophrenia—pre-enlistment—aggravated, not obvious or recorded, entire disability pensionable.

10/2/53—Disability assessed at 100%.

20/2/53—Application six months' retroactivation, Section 31 (2).

27/5/53—Six months' retroactivation 31(2)—granted effective 23/4/51.

This case took over four years to bring to a successful conclusion. The man had not been able to work since October 1947—only 18 months' retroactive pension was paid.

The submission which produced the favourable decision of 23/10/52 did not contain any new evidence. It was a thorough review of all evidence which had been before the C.P.C.—some of it many times.

The next case, number 134/12 is a widow's claim where the veteran served in World War I in France and died of Coronary Thrombosis. The point I would like to make clear in this case is that errors and delays do occur.

BORN:

10/6/97.

ENLISTED:

28/2/16.

THEATRE OF SERVICE:

France.

DISCHARGED:

11/4/19.

9/12/52—Veteran died—Coronary Thrombosis.

24/1/53—First Hearing decision of C.P.C.—death not attributable to service.

20/5/53—Second Hearing applied for by Canadian Legion.

30/5/53—Application for Second Hearing accepted by C.P.C.

30/3/54—Legion Service Officer in district advised Dominion Command that Summary had not been completed—some nine months later.

14/4/54—We were officially informed by letter that, "The delay was due entirely to an administrative error".

This error caused the delay of approximately 11 months in the preparation of this claim.

It was one of those unfortunate things that happen. The file was put away without being brought to the attention of the appropriate official.

The next case, number 575/11 is another widow's claim. The man served in World War II overseas and served in peacetime in Canada.

Widow's Claim.

19/1/53—Veteran died—Coronary Thrombosis.

SERVICE:

1. C.A.S.F.

2. Peacetime.

ENLISTED:

26/6/42.

7/5/47.

THEATRE OF SERVICE:

1. Overseas.

2. Canada.

DISCHARGED:

1. 27/11/45.

2. 19/1/53.

28/4/53—C.P.C.'s First Hearing decision—death, incurred during service, peacetime, not pensionable 13(2).

9/5/53—Widow requested Second Hearing decision.

24/7/53—Second Hearing request accepted.

26/4/54—Veterans' Bureau advised Legion Service Officer in District as follows:

"It is very much regretted that due to inadequate stenographic staff and due also to the fact that some of our girls have been absent as a result of illness, the preparation of Summaries has lagged and we are considerably in arrears in this regard.

"However, you may rest assured that this office will proceed as expeditiously as is possible in the circumstances."

14/5/54—Legion Service Officer in District advised Dominion Command Service Bureau that Summary had been received.

More than a year elapsed between request for Second Hearing and completion of the Summary of Evidence.

Case number 395/6 is a widow's claim and is also a case of a man who served during wartime on the high seas and continued service in peacetime.

APPLICATION.

Widow's claim—Death from acute gangrenous appendicitis with post-operative surgical shock.

ENLISTED:

1. July, 1940 2. 12/2/47 3. 2/4/47

THEATRES OF SERVICE:

1. Canada 2. High Seas 3. No service in theatre of operations.

DISCHARGED:

September, 1945 1/4/47 31/10/52

DECISIONS:

C.P.C. First Hearing decision (permanent force) initial decision (active force 25/2/53—not attributable to active force service, incurred during service, permanent force, not pensionable Section 13 (2). The C.P.C. stated: "There are no medical entries recorded in the service documentation between 12/2/50 and 12/3/52".

13/5/53.—Legion obtained information from war service records that there were Sick Bay reports (11 entries) which were not considered by C.P.C. in their decision.

21/5/53.—Supplementary First Hearing requested by Legion on basis on above entries.

10/6/53.—Request granted on basis of above.

26/11/53.—Report obtained from pathologist (B.C.) on additional details of autopsy which C.P.C. did not endeavour to get.

In two instances in this case there was "relevant information" which the C.P.C. did not obtain.

We also obtained a report from the pathologist in British Columbia who had performed the autopsy in this case. He had a pathological report which was referred to in the autopsy and the proceedings following the autopsy, but it was not requested by the Canadian Pension Commission. Incidentally, although the claim was turned down by the commission the last time, it is now in the state of preparation to go forward again. That pathologist's report was perhaps the most important piece of evidence in that case.

Case number 234/13 concerns a man who served in the central Mediterranean theatre during World War II. He was operated on during service for appendicitis and his appendix was removed.

CONDITION:

Appendicitis with post-operative adhesions.

BORN:

5/9/17.

ENLISTED:

2/9/39.

THEATRE OF SERVICE:

Central Mediterranean Theatre.

DISCHARGED:

13/5/46.

26/3/52—Case brought to attention of C.P.C. by Victoria General Hospital.

6/10/52—C.P.C.'s initial decision—appendicitis—pre-enlistment—not aggravated.

2/2/53—C.P.C.'s First Renewal decision—appendicitis, pre-enlistment, not aggravated.

14/10/53—Legion submitted case for Renewal Hearing—no new evidence contained in submission.

16/10/53—C.P.C.'s Second Renewal decision—appendicitis, aggravated during service in a theatre of actual war, entire disability pensionable, effective 12 months prior to the date of this decision.

8/3/54—Legion requested retroactivation of award to 29/2/52 under Section 31 (3).

11/3/54—Chairman of C.P.C. in a letter stated: "As has been explained to you on previous occasions, the Commission cannot deal with an award under Section 31 (3) of the Act without in the first instance determining whether consideration is permissible under Section 31 (2)".

1/4/54—Legion again wrote to C.P.C. referring to letter of 11/3/54, and again asked for ruling under 31 (3) stating in the letter, "We cannot see in the wording of 31 (3) anything that makes it dependent upon 31 (2)".

8/4/54—The C.P.C.'s ruling—31 (3)—absence of evidence regarding administrative or other delays beyond the applicant's control, prohibit award under 31 (3).

In this case the C.P.C. ruled that the condition was pre-enlistment when there was actually no pre-enlistment evidence or record.

The C.P.C.'s decisions did not give adequate reason for the rejection of the application.

There is definite evidence that Section 70 (the Benefit of the Doubt Section) was ignored and indeed the unfavourable decisions drew presumptions against the applicant.

In this case our contention was that if our case had received initially the attention that it did finally, it would have been granted at the initial decision.

The next case, number 507/14 concerns a female member of the forces.

CONDITION:

Rheumatic Carditis.

BORN:

25/11/09.

ENLISTED:

23/6/42.

THEATRE OF SERVICE:

Canada.

DISCHARGED:

22/10/43

91646—2

7/1/44—Pension Medical Examiner referred the case to the C.P.C. for ruling.

5/2/54—Legion referred claim to the C.P.C.

17/2/54—C.P.C. initial decision—rheumatic carditis—pre-enlistment, aggravated two-fifths in Canada, award effective 12 months prior to decision.

23/3/54—Request for maximum retroactivation under Section 31 (2) (3) and reconsideration of the basis of entitlement.

30/4/54—C.P.C.'s decision—rheumatic carditis—pre-enlistment, aggravated three-fifths. Entitlement effective 17/2/51. Sections 31 (1), (2) and (3).

This woman's claim should have been considered 10 years earlier on pension medical examiner's request of 7/1/44. She would not likely have been pensioned till 1/6/46.

Administrative error has cost this veteran almost five years' pension, calculated from 1/6/46, the date on which the insurance principle was restored for service in Canada by P.C. 2077.

The C.P.C. initially granted only 12 months' retroactivation and did not attempt to rectify obvious injustice until pressed to do so by the Canadian Legion.

The WITNESS: These cases provide a few examples of failure to search records, failure to properly assess evidence on file, administrative error and unjust presumptions being drawn against the applicants.

Surely when it is known that these conditions do exist it should naturally follow that provision should be made in the Act for the rectifying of the injustices and hardship that result from such human failings.

We all know that there has to be things like this. You cannot run an organization without making mistakes, but I think that where there has been an obvious injustice to a veteran the Act should make it possible for the veteran to be reimbursed.

We strongly recommend that the logical way to prevent these injustices is to amend the Canadian Pension Act to provide for awards of pension to be retroactive to the date of application.

I thank you.

The CHAIRMAN: Thank you. Any questions?

Mr. GOODE: I suppose, Mr. Chairman, you will give us an opportunity to study this brief, and we will have time for questions at another date, but I would like to ask one question now. Mr. Lumsden in his final two paragraphs said these cases provide a few examples of failure to properly assess evidence on file etcetera. How many cases have you, Mr. Lumsden, in total?

The WITNESS: I do not think we have ever totalled them up. I know we have a great many more than this. Mr. Thompson perhaps could give us the figure? We have brought a few others with us.

Mr. THOMPSON: Yes, we have another eight or ten with us.

Mr. GOODE: How many would you have altogether?

Mr. THOMPSON: There are seven in the brief.

Mr. GOODE: How many cases have you filed in making recommendations or submissions from the Legion to the Canadian Pension Commission during this total time?

Mr. THOMPSON: I could not give you that figure.

By Mr. Goode:

Q. About how many? Would it run into hundreds or perhaps more?—
A. Not over the period from which these cases are collected. I would not attempt to give you an answer to that question.

Q. I notice that you mention in one case here a period of ten years so you must have handled many cases. What I am trying to arrive at is what percentage of error—natural error, perhaps, in my opinion—what percentage of error is there in pension cases handed by you to the Canadian Pension Commission?—A. I think, Mr. Chairman, I should make one point clear in fairness to the Canadian Pension Commission. Many of the open and shut cases never come to the Legion. That is, the cases that are clearly established seldom come to our doorstep, and we realize that as a result of that the percentage of the total cases which come to our attention would be comparatively small but these cases which come to us come to us mainly because they are difficult and the individual concerned feels he has received injustice. We could probably undertake to give you a figure but it would be without much meaning and to fit it into the total picture would be extremely difficult.

Q. Well, Mr. Thompson knows how many cases you have handled. It would be quite easy to find out how many pension cases have been handled during these years. Some of the cases have been going on for 10 or 12 years and some for a longer period of time than that. Here we have a number of cases picked out not at random, I am quite sure, and then you attach to that another eight or ten cases. What is the percentage of mistakes, if you call them that? What is the percentage of the total number of cases handled by the Legion? What I am trying to establish is this—and I am sure you know what I am trying to establish—are there just a few cases of the Canadian Pension Commission in which mistakes are made? Mr. Lumsden said in his statement that it was quite understandable that mistakes could be made and I agree with that. My experience with the Canadian Pension Commission is entirely different. My experience with them is that they are understanding to a point of fault sometimes in my opinion. If the cases mentioned in the brief to which eight or nine additional are attached are all the cases the Legion can submit in comparison with the totalled handled over 10 or 12 years, then it is going to be difficult to establish a case for you. I am giving you a lead. Now perhaps you can answer.

Mr. BROOKS: May I say that I think in my opinion the principle would be the same whether there were 1,000 or 100 cases. I do not follow Mr. Goode's argument at all.

Mr. HERRIDGE: Or even one case.

Mr. GOODE: Mr. Brooks says he cannot follow my argument and that is his prerogative, but I have asked the question and I still would like an answer.

The WITNESS: May I answer that? It is our contention that the percentage of error—inevitable error—some of these cases do not involve the Canadian Pension Commission but involves stenographic error in the veterans bureau. Our contention is that since there is not only the possibility but the actuality of error in the preparation and in the finalization of cases the Act should make provision whereby the applicant should not suffer because of faults utterly beyond his control.

Mr. GOODE: Even if there is more than one?

The WITNESS: Even if there is more than one.

Mr. GOODE: Mr. Quelch will not agree with me, but I want to find this out. Would you please tell me what percentage of cases involve errors out of the total number of cases handled? I say that in a most friendly way.

The WITNESS: We do not have those statistics but we will set people to work on it to find out. It will be quite difficult because we do not have an elaborate statistical organization set-up like the government, and do not have the same funds available and in many cases the total number of cases handled

during the year will also be reflected in the total number of cases handled the next year, so it will be difficult to break those down and tell you exactly how many separate and individual cases we have handled in the last 10 years. This will be an exceedingly difficult thing to find out. I would think it would probably take close to two months in order to get the figures and I frankly do not think they are worth it.

Mr. HERRIDGE: You are not suggesting there is a large percentage of them. You are suggesting that even if there are only a few there is still justification for an amendment to the Act?

The WITNESS: Yes.

Mr. BROOKS: You have cited typical cases which have occurred in the past and you have no reason to believe that similar cases will not occur in the future?

The WITNESS: They are inevitable.

Mr. BROOKS: And you think this amendment is as necessary now as it was in the past?

The WITNESS: We go further than that and say that the section should be amended to make more generous provisions than exist at the present time. We say that the present provisions do not provide for the rectification of the injustices that must inevitably occur and the amendment we suggest would do a great deal towards rectifying them. It would seem to be obviously just if a case is granted it should be granted back to the date of application. Certainly if it is granted it is valid back to that date.

Mr. NESBITT: Would you have in mind a case such as this in the summary of the cases cited here, a case where it might be difficult to connect the medical condition that caused the disability or death to the disabilities contracted during war service? For instance, sclerosis of the liver or jaundice or some back or muscle injury which is difficult to relate to war service.

The WITNESS: Yes.

Mr. NESBITT: You refer to cases like that?

The WITNESS: Yes. There is absolutely no criticism in an adverse sense but if it is a just case it has equally as much right as if it were an easy case to establish so the length of time required to establish it should not enter into the question of entitlement.

The CHAIRMAN: Any other questions?

By Mr. Herridge:

Q. Mr. Lumsden, have you found from experience that delay can be occasioned all along the line? Even the Legion branch secretary fails to act and the veterans' bureau cannot see a man over a period of time?—A. Yes. As I say, we are plagued with the same type of error as the other organizations—mistakes do occur.

Bill 82—An Act to Amend The War Service Grants

Section 2

We would like first of all to express appreciation on behalf of those veterans who will benefit thereby for the extension in the deadline up to which veterans of World War II may make use of re-establishment credits. We feel that this amendment as contained in section 2 of the bill will be of material assistance to those who for a number of reasons have not up to this time found it possible to make use of the credit. Many who otherwise might have made use of the re-establishment credit to aid in the purchase of a home have not done so simply because housing costs have increased so rapidly since 1945 that they have never been able to set aside sufficient savings which added to the re-estab-

lishment credit would provide an adequate down payment. Many such veterans, in particular, will benefit by the advancement of the deadline.

Section 3

It is equally true, however, that again owing to rapidly increasing land and building costs many who might otherwise have settled either on small holdings or full-time farms have been prevented from doing so. Why then should section 3 of the bill place those who might wish to take advantage of the provisions of the Veterans Land Act at a disadvantage? It will be noted that this section of the bill provides that those who would seek settlement under V.L.A. must repay their re-establishment credits before the first day of January, 1957. For those who have used any part of their re-establishment credit this clause establishes a definite cut-off date beyond which they will lose all rights to assistance under V.L.A. unless they have previously repaid the portion of re-establishment credit used. There would appear to be no logical reason why this particular group should be discriminated against in this way.

We would accordingly strongly recommend that the date established in section 3 of the bill be the same as that contained in section 2. In other words, we recommend that veterans be permitted to repay re-establishment credit and apply for assistance under the V.L.A. until January 1st, 1960, or until 15 years after the date of discharge whichever is the later.

I would like with your permission to insert one paragraph concerning Bill 101. It is not in our brief but it was omitted through error.

Bill 101—recommendation.

There have been many protests about the cutting off of special benefits to eligible Korean veterans as of October 1953. It is, therefore, strongly urged that these benefits be extended until the veteran is repatriated or posted to another area.

In view of the information which we have set out in this brief we feel fully justified in bringing to the attention of this parliamentary committee the urgent need for correction of the difficulties and anomalies which are undoubtedly causing hardships to many veterans and their dependents.

It is not intended as a criticism because errors occur. Those are inescapable. It is simply because they do occur inescapably that we would like the Act to make provision that the applicant be not the one to suffer because of them.

By Mr. Quelch:

Q. I understand that the legion will be making another submission at a time when we are dealing with the Veterans Land Act, and I suppose that there will be an opportunity to ask questions again on this brief.—A. We will have a member here, Mr. Thompson or some member of his Bureau will be available to you at that time. Possibly we will be making representation when the Veterans Land Act bill comes down, but if it is agreeable to us we will not feel that it is necessary.

By Mr. Gillis:

Q. Mr. Lumsden, when did you have the greatest amount of difficulty with this question? Was it during the period the commission had discretion in fixing the date of retroactive pension or since there has been a fixed date in the Act?—A. That is something I could not answer. My experience does not go back far enough, nor does Mr. Thompson's experience. He has been with us only for a few years. I do not think that either one of us has any personal experience to make a comparison, and I think that it will be a long and tedious job in order to get any data.

The CHAIRMAN: If at any time the legion wishes to make any further representations to us all they need to do is to get in touch with me and I will bring the matter up before the agenda committee. If there is anything which comes up that you wish to make representation on, I think that the committee will always be glad to hear representations from you.

Now, it was the decision that we hear the non-pensioned widows tomorrow at 10 o'clock. That hour was set because we wanted to hear them as soon as possible, and there were so many committees sitting at 11 o'clock that we thought to sit at all we would have to sit at 10 o'clock. Since then the Banking and Commerce committee which was to sit at 11 has concluded its hearings but having set the time at 10 o'clock we thought that we might as well leave it at 10 o'clock, but if the committee generally wishes it changed to 11 o'clock we can have the hearing then and in room 277 because that was the room in which the banking and commerce committee was to meet. We could sit as usual from 11 o'clock on or we could sit at 10 o'clock, which ever the committee desires.

Mr. GOODE: Mr. Chairman, Mr. Lumsden made some remarks concerning Bill 101. I would just suggest here that some department undertake to give us a copy of those remarks for our next meeting so we can have the complete brief.

The WITNESS: Yes, it is just a short paragraph.

The CHAIRMAN: Yes, that could be done, I suppose, because the printed reports will not be available by then and this paragraph is very short.

The WITNESS: I will give the paragraph to the scribe.

Mr. HERRIDGE: I move that the committee sit at 11 o'clock tomorrow morning if it meets with the approval of the non-pensioned widows league.

The CHAIRMAN: It is moved that we meet at 11 o'clock tomorrow instead of 10 o'clock tomorrow morning.

All in favour?

Agreed.

Mr. HARKNESS: On page 4 of the brief Mr. Lumsden states: "The last parliamentary committee went on record as agreeing that something should be done to increase the ceiling on permissive income for the recipients of war veterans allowance. If this recommendation was implemented, the good it could accomplish would far outweigh the cost to the country;" Have you any estimates as to what the cost of that would be?

The WITNESS: I understand from the department that an accurate estimate would be impossible. If all our recommendations were implemented, in regard to the permissive ceiling and in regard to the increase of war veterans allowance, and the extension of the benefits to Canadians who had served in England during World War I, I think that the minister said that the bill would be over \$40 million for war veterans allowance.

Hon. Mr. LAPOINTE: If all the requests were implemented the actual expenditure would be increased by 95 per cent.

Mr. HARKNESS: As far as this increase on permissive income is concerned you have not had any figures from the department or made any estimate yourself? I have always considered that the amount of money involved would be quite small and I wondered if we could get any definite figure on that.

The WITNESS: The department might be able to give you some estimates. We have not the data to do it. I believe that the minister told us if the permissive ceiling was raised to \$1440 for married people it would result probably in \$3 or \$4 million extra.

The CHAIRMAN: I understand from the minister, if it is the wish of the committee a submission will be made to the committee of the cost of the various suggestions.

Mr. HARKNESS: I think that it will be very useful to the committee to have that information.

Mr. BROOKS: I think that many of the members of the committee have been somewhat surprised that greater use has not been made of section 4 of the War Veterans Allowance Act. What do you say is the main reason for that? Is it because no more veterans can qualify for it, or is it because a lot of veterans are not aware of that new section?

The WITNESS: Frankly I do not know the reasons why more have not availed themselves of it. Some of the employees of the department who were in close touch with the actual unemployed veterans might be able to give you more reason than I could. We do not of course, here at headquarters, get any concrete cases to deal with. We just know that the veterans are not availing themselves of it.

Mr. BROOKS: Due to their increased age?

The WITNESS: It might be. Anyone not employable would naturally not be able to use it.

Mr. HERRIDGE: I think that is one very good reason.

The CHAIRMAN: Gentlemen, if there are no more questions I am sure that you would want me, on your behalf, to thank Mr. Lumsden and his associates for the brief which they have presented to us today and to assure them that we will be glad to hear from them, or their organization with which we have worked together in such harmony in the past, at any time that they wish to make representation to us. We thank you very much for your presentation.

The WITNESS: We will be very happy to provide somebody here to answer questions in regard to this brief, either our general secretary or our chief welfare officer, and try to be available to the committee if we can be of any service to it. We would like to thank you for this opportunity.

The CHAIRMAN: The committee then is adjourned until tomorrow morning at 11 o'clock.

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Committee on, 1953/54

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HOUSE OF COMMONS

First Session—Twenty-second Parliament

1953-54

SPECIAL COMMITTEE

ON

VETERANS AFFAIRS

Chairman: W. A. TUCKER, Esq.

MINUTES OF PROCEEDINGS AND EVIDENCE

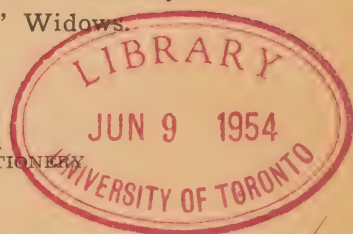
No. 2

THURSDAY, MAY 20, 1954

WITNESSES:

Mrs. M. Wainford, President, and Mrs. L. Caunt, Secretary,
of the Canadian Non-Pensioned Veterans' Widows.

EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1954.



ORDER OF REFERENCE

THURSDAY, May 20, 1954.

Ordered,—That the name of Mr. Pearkes be substituted for that of Mr. Brooks on the said Committee.

Attest.

LEON J. RAYMOND,
Clerk of the House.

MINUTES OF PROCEEDINGS

House of Commons, Room 277,
THURSDAY, May 20, 1954.

The Special Committee on Veterans Affairs met at 11.00 o'clock a.m. The Chairman, Mr. Walter A. Tucker, presided.

Members present: Messrs. Bennett (*Grey North*), Brooks, Cardin, Croll, Dickey, Dinsdale, Enfield, Forgie, Gauthier (*Portneuf*), Gillis, Goode, Green, Hanna, Harkness, Henderson, Herridge, Jones, MacDougall, Philpott, Quelch, Stick, Tucker and Weselak.

In attendance: Mr. E. L. M. Burns, Deputy Minister of Veterans Affairs; Mr. G. L. Lalonde, Assistant Deputy Minister; Mr. G. H. Parliament, Director General of Welfare Services; Mr. C. B. Topp, Chief Pensions Advocate; Mr. J. L. Melville, Chairman, and Mr. Leslie A. Mutch, Deputy Chairman, of the Canadian Pension Commission; Colonel F. J. G. Garneau, Chairman, War Veterans Allowance Board; Mr. T. D. Anderson, General Secretary of the Canadian Legion, with Mr. D. M. Thompson, Chief Welfare Officer. Also a delegation from the Canadian Non-pensioned Veterans' Widows comprising the following: Mrs. M. Wainford, President, Verdun, P.Q.; Mrs. L. Caunt, Secretary, Toronto; Mrs. D. Lowther, St. Vital, Manitoba; Mrs. H. Hickey, Toronto; Mrs. M. Pulford, Toronto; Mrs. M. Hampson, Calgary, Alberta; Mrs. J. Spalding, Edmonton, Alberta; Mrs. M. White, Montreal, P.Q.; Mrs. E. Cooper, Toronto.

Before proceeding with the business of the day, the Chairman commented on press reports relating to the Legion's Brief which was presented to the Committee on the previous day and a lengthy discussion took place thereon.

Mrs. M. Wainford, President, and Mrs. L. Caunt, Secretary, of the Canadian Non-Pensioned Veterans' Widows were called and at the conclusion of an extended presentation on behalf of their Council, the two witnesses were retired and the Chairman expressed to them the Committee's appreciation for their very able and useful presentation.

At 1.15 o'clock p.m., the Committee adjourned to meet again at 11.00 o'clock a.m., Monday, May 24, 1954.

A. CHASSE,
Clerk of the Committee.

EVIDENCE

MAY 20, 1954,
11.00 A.M.

The CHAIRMAN: Order, gentlemen. Before I call on the representatives of the Canadian Non-Pensioned Veterans' Widows Dominion Council who are here today and who will be introduced when I call on them, a matter has been brought to my attention—not by a supporter of the government, either, but by an opposition member of this committee—and I appreciate very much the attitude taken by him and I am satisfied that in view of the evidence yesterday his attitude is probably shared by other members of this committee. I note in the press this morning that there is a headline in one of the Ottawa papers which says: "Legion flays pension board" in a black headline and in the headline in the Gazette the following words appear: "Legion scores laxity of pension board." It is carried in Canadian Press: "The Canadian Legion today charged the Canadian Pension Commission with lax administration." I think every member of the committee would agree that the press misunderstood the brief of the legion.

Hon. MEMBERS: Hear, hear.

The CHAIRMAN: The legion brought forward seven cases and said that they knew of a very small additional number—there were not many others—where there had been delay in pensions being granted, but they indicated at the same time that in many cases there was a good reason for delay because it was difficult to obtain the necessary evidence and the whole purpose of bringing forward these cases where there had been a delay in granting a pension was to indicate that where the legion felt there had been a delay due to the necessity of finding evidence or because of some mistakes that the Pension Commission made, the right should be given to date the pension back and they brought forward the cases not as an indication of a general laxity on the part of the commission but to substantiate their claim that in the few cases they knew of where there had been delay the commission should have this power of retroactivity. As I remember the evidence, Mr. Lumsden, the president, stated very definitely that he was not making any charge of laxity or breakdown, or any charge whatever against the Canadian Pension Commission. He said that it was inevitable in handling work of this nature that there should be delays at times due to human error and I thought it was made abundantly plain by the president of the legion that he was bringing forward these few cases to substantiate that position. One of the members of our committee—one of the opposition members—brought that point out very plainly, I thought. He said even if there is one case it is the feeling of the legion that there should be power to date it back and remedy the situation, and the whole purpose of the brief was to substantiate their claim by showing seven cases here and I believe he said they had brought perhaps another ten which developed over a period of ten years. Now, when one considers the tremendous number of cases handled—the legion comes forward and says: "Here are seven cases and there are perhaps another ten"—over that period when they were handling the tremendous volume of work following the second war, and when the press feels that was a suggestion that the pension board was being flayed or that there had been lax administration,

I feel it indicates the press misunderstood the Legion brief, and I would just again call to the attention of the press the very definite statement of the legion president in the printed brief where he says on page 14:

That error, negligence, human failure of some kind is bound to appear so long as the C.P.C. and its staff are composed of human beings is obvious. We handle a great many less cases than the Commission but these factors plague us.

I thought the legion tried to make it abundantly clear that they were not criticizing the Canadian Pension Commission by bringing these cases forward but that where there was the odd case where there had been delay in granting a pension that should have been granted earlier that in such a case there should be the right to date it back and therefore I draw that to the attention of the press. I hope that I have the support of the committee in this because I feel that it was not the intention of the Canadian Legion to make the attack they are alleged to have made. I hesitated to mention this but when it received such notice in the press I thought it was only fair to everybody concerned to make the statement I did.

Mr. BROOKS: Mr. Chairman, I do not think it is necessary for us to criticize the press here. If we did criticize the press in every matter where we thought they made a mistake we would not do much else and I would rather think you have misunderstood, too, the brief of the legion. My understanding of the brief of the legion was that they were taking up the different bills and were discussing Bill 82 and in that bill there are certain sections the deletion of which has been suggested. I think it refers to section 8 and section 13. They were presenting their case against the deletion of these particular sections and they felt it would be a hardship to a number of cases and the press may have misunderstood but there is no reason why you should misunderstand and I thought the legion's contention in that connection was very strong and very convincing that these particular sections should be further considered by the committee and that there should be no deletion. The legion, I think, put up a good case in that connection. I do not think we should minimize it by saying there were only seven cases quoted here. As I understood the evidence yesterday, the witness giving evidence did not know how many more cases there were. There may have been a great many.

Mr. ENFIELD: He did not say that.

Hon. MEMBERS: No, he didn't say that.

Mr. BROOKS: I remember him saying there were only 11 cases that he had with him and he said there were a great many which did not come to their attention at all. If I remember correctly, that was the statement. I do not think this committee should try to correct the press.

The CHAIRMAN: What Mr. Brooks has said is I think along the lines I was mentioning, that the purpose of the brief was to attack the proposed changes in the bill and not the Canadian Pension Commission.

Mr. BROOKS: They were not attacking the proposed changes, but were simply pointing out that certain sections of the bill should not be deleted.

Mr. HERRIDGE: I just want to say this: I quite agree, and I think the majority of the members of the committee would agree, that it is unfortunate that the headline in the press was out of proportion to the story and it did not reflect actually the expression of the opinion given by the president of the Canadian Legion to this committee yesterday. I think it is such an important matter to veterans generally and we try to approach the subject in this committee from a non political point of view. It is most unfortunate to have a wrong conception of the work the Canadian Pension Commission is doing

spread across Canada because certain illustrations were given to this committee of human failings which were recognized not only on the part of the Canadian Pension Commission, but the legion organization itself, its branches and the welfare bureau and so on.

Mr. GREEN: I would like to be disassociated from your criticism of the press. After all, we still have a free press in this country and they are perfectly entitled to come in here, listen to the evidence, and make whatever report they see fit, and just because it happens to be critical is no reason why this committee or any other committee of the House should take it upon itself to insist that the matter be righted. I think you are very much out of your place, Mr. Chairman, in making the statement you have made this morning, and in analyzing the evidence given by the legion without anyone else having an opportunity to do so and in saying the press is at fault and that you want to have the matter corrected. I never knew that politicians were that thin-skinned about criticism in the press and the Canadian Pension Commission should not be so thin-skinned either. They make mistakes, as indeed we all do, and the purpose of the committee is to criticize the Canadian Pension Commission or any other organization if they feel it is needed. If the press chose to interpret that evidence as they did they were perfectly within their rights in doing so, and I think you have gone a long way out of your sphere as the chairman of a House committee to set the press aright on a report they issued yesterday. For myself, I want to be disassociated from it completely. If this committee cannot stand for any criticism I do not know what good the committee will do for either the House of Commons or the veterans of Canada.

Mr. QUELCH: I agree wholeheartedly with the sentiments expressed. I was very surprised when I picked up the newspaper and saw the headlines. That was altogether a different impression from the one I obtained from the Canadian Legion brief. They were pointing out that mistakes were bound to occur at times—mistakes made by the commission or the legion itself. They felt that so long as mistakes were inevitable that the veterans should not be penalized in any way. The veteran should not have to suffer as a consequence of these mistakes, and therefore they were opposing certain of the changes proposed to the Act but they were not criticizing the pension commission. I thought that was made perfectly clear and I think the point you raised, Mr. Chairman, was one which was very well taken.

The CHAIRMAN: I want to say one thing. The Canadian Pension Commission did not mention the matter to me. This subject was really raised, as I said, because a member of the opposition thought the press had misinterpreted the whole purport of this evidence and it was thought that I should mention it, not with any idea of criticizing the press but just by way of suggesting that in the opinion of the chairman and some of the members of the committee anyway, the purport of this brief had been misunderstood. Now, I think we should all be ready to be criticized by the press and I do not think I can be accused of being thin-skinned, because if at one time I had a thin skin, I have had to develop quite a thick one in the last few years!

Mr. ENFIELD: Hear, hear.

The CHAIRMAN: I realize, however, we all make mistakes and it is possible that the press might make an error and there is nothing wrong with our suggesting that perhaps the press misunderstood the purport of the evidence. I do not want to analyze it, but I did want to make sure that the confidence in the Canadian Pension Commission held by veterans all over Canada was not impaired, or destroyed perhaps, by a misunderstanding. That is all.

Mr. GILLIS: I am going to agree with my colleague on the committee. I, too, think the headline was completely in error—"Legion Flays Canadian Pension Commission". Well, they did not say any such thing here.

I think the analysis they made was timely and we want to remember this: we desire to inform the general public also that the great majority of men on the Canadian Pension Commission are not medical men, and it was stated very clearly that most of the delays occur in diagnosing the disability of the veteran as related to service and when the pension commission receives a diagnosis from a medical doctor the layman is not in a position to argue with it. There is a great deal of delay then in trying to get that sorted out and I think there is lots of room for criticism in so far as pinning down the disability is concerned. I think a doctor should be very careful before he makes a decision and it should be done in consultation. I think the legion made it clear that the difficulty is in pinning down the disability and relating it to war service.

My experience with the commission has been—and like the service bureau of the legion—the only time we get a problem is, as in the case of a chiropractor, when everybody else has tried and failed. My experience with the commission has been that when you take one of these problem cases to them, they bend over backwards but they are not in a position to change a decision made by a medical man and I think the press was completely in error, in the headline at least, which said the legion flayed the Canadian Pension Commission because I do not think any member of that legion delegation had any intention of doing that. I think they did the veterans a good service by pinning down the difficulty as being the problem of relating disability to war service.

Hon. MEMBERS: Hear, hear.

The CHAIRMAN: I think we should now proceed.

Hon. MEMBER: Agreed.

The CHAIRMAN: We have before us today some old friends.

Mr. GOODE: If I may interrupt, are you going to give us any further opportunity of speaking on the brief now or are you going to give us an opportunity of doing that later?

The CHAIRMAN: I am in the hands of the committee concerning that.

Mr. GREEN: I cannot hear.

The CHAIRMAN: Mr. Goode wanted to know if we were going to discuss the brief of the Canadian Legion now and I stated I was in the hands of the committee in that regard but what I had in mind was that we would hear the Canadian Non-Pensioned Veterans' Widows Dominion Council representatives now and then we could discuss the brief of the Canadian Legion after we are through with the representations of the Canadian Non-Pensioned Veterans' Widows association. I thought that perhaps we might then take up the first bill this afternoon concerning which there is very little dispute and perhaps deal with it but of course I would not want to press that view unduly. I thought, at any rate, we would hear the Canadian Non-Pensioned Veterans' Widows submissions right away, and then we could discuss the legion brief and then take up the bill, if that would be agreeable to the committee.

Mr. BROOKS: I agree with you. I think it would be better to take the brief of the Canadian Non-Pensioned Veterans' Widows first, but I would also think that in discussing the Canadian Legion brief we could do it better if we took the bills and applied their criticisms to the different bills as we come to them. That would appear more logical to me.

The CHAIRMAN: Is there anything in particular, Mr. Goode, you wanted to put on the record?

Mr. GOODE: There has been some discussion here this morning regarding pensions. I have no comment to make on what has been said but I have some figures on the total number of pensions handled by the Canadian Pension Commission over a period of time. It might be of some value to the members of the

committee to have that figure put on the record so that they could discuss the pension situation much more completely than they otherwise could. I have asked the Canadian Pension Commission for the figures and if you will give me permission I will put them on the record for the purposes of the committee.

Mr. CROLL: I think they would be very useful.

The CHAIRMAN: Is that agreed?

Hon. MEMBERS: Yes.

The CHAIRMAN: Just the figures?

Mr. GOODE: Yes. It will take me about five minutes, Mr. Chairman, if you will give me that length of time.

The CHAIRMAN: Are they in a form which would permit you to table them, Mr. Goode?

Mr. GOODE: Yes.

Mr. BROOKS: It is utterly impossible to hear what is being said.

The CHAIRMAN: Could you not hear me?

Mr. BROOKS: Yes, but I cannot hear Mr. Goode. I wonder if Mr. Goode could stand up when he speaks.

The CHAIRMAN: Mr. Goode has some figures here which were given to him by the Canadian Pension Commission and which set out the decisions rendered by the commission on injuries or deaths over the past five years and the number of cases granted and not granted in respect of disability and the number of cases in regard to deaths. Mr. Goode thought it would be helpful to have these figures put on the record at this time, because there has been some discussion as to the total number of cases dealt with.

Mr. HARKNESS: I think those figures should be put on the record by the Canadian Pension Commission or a representative of the commission at a time when we will have an opportunity to question them. At the present time I think we should go ahead and hear the ladies' brief.

Mr. GOODE: I am sorry I cannot agree. This is a letter written to me and because it is written to me the figures, I take it—and I think my point is well taken—are mine at this time. I suggest to you, sir, they be put on the record in my name and if you do that I will be quite satisfied.

Mr. GREEN: I do submit this: on a question of this kind the figures should be put on the record by an officer of the Canadian Pension Commission who can be cross-examined and it is not the correct procedure for a private member, or rather a member of the committee, to come along with some figures and say: "I want them put on the record." We have never done that before. When we have had figures put on the record we have always had the officials here to put them on the record and they, of course, were subject to cross-examination and I submit that that should be the course followed now. If Mr. Goode is going to be permitted to put his set of figures on the record we can have figures put on the record by every member of this committee. It is completely out of order.

The CHAIRMAN: I would think, Mr. Goode, that the best time to put these on would be when we come to deal directly with the pension bill, because if I do as suggested and permit you to put anything on the record then the other members of the committee might feel they should put other figures on and have the right to question and so on. So I suggest that you put these figures on the record when you are examining Mr. Melville who will be here to speak to the committee and to answer questions in regard to the Pension Act. I think that is the fairest way to do it.

Mr. GOODE: I point out this is a letter addressed to me. Every member of the committee had an opportunity to write away and procure this information. I do not agree with your ruling, but I will not argue too much about it at this point.

The CHAIRMAN: You could put the figures on the record later.

Now, gentlemen, as I was saying, we have with us this morning the representatives of the Canadian Non-Pensioned Veterans' Widows Dominion Council. Mrs. M. Wainford of Verdun, Quebec, is the president of the association and will present the brief on behalf of the association, and perhaps Mrs. L. Caunt of Toronto may make some supplementary remarks. I believe there are several ladies here who are supporting their president and secretary and we are certainly glad to see them, and to welcome them here and to have them make a submission to this committee.

I will now call on Mrs. Wainford to present the submission on behalf of the Canadian Non-Pensioned Veterans' Widows Dominion Council.

Mrs. M. Wainford, President, Canadian Non-Pensioned Veterans Widows, Dominion Council, called:

The WITNESS: Mr. Chairman, and honourable members of parliament, this is a privilege that we non-pensioned veterans widows have this morning in coming before this committee. First, I would like to say I am very pleased to see I think four or five of the old faces which have been on this committee since 1941. I see Mr. Green, Mr. Brooks, Mr. Herridge, Mr. Quelch, and I think Mr. Gillis. These men I have met on many occasions in respect to this work. I see over there our distinguished chairmen of the various departments, General Burns, Brigadier Melville, and I just do not know the other three gentlemen's names. I will make myself acquainted with them before I leave.

We have no brief to present to you with a big write-up. We usually have had a small one, but we have no officers or anything at our disposal to help us in preparing one. Our work is all done voluntarily.

I thought that the best procedure would be to read each of our resolutions separately and I could be questioned on them, or I could explain the reason why we are asking for these concessions.

I suppose that the chairman of the committee and the members of the committee will have seen these resolutions because I had my secretary send copies of these resolutions with an attached letter to every member and every minister in the House of Commons, and I am hoping that every member has read these resolutions and has kept them in mind with the hope that they can be met at this meeting.

We have been coming here for many many years and I feel—I am speaking personally now—that up to the present time we have just come here, and come and gone out again, and we have come to a stage that we are no longer coming here for a holiday. We come here to work and when we are down in our building we work just as hard on this work as you people do in the House of Commons; sometimes I think a little bit harder. So, it is with this in mind that I hope and trust that this committee will be able to do something about this.

I would like to thank the chairman—I notice that the minister is not here—for the privilege of being able to appear before this committee. I was told that we would have an hour to present what we have before this committee, and I got in touch with the minister and stated that we thought that an hour would not be enough, and I would beg of this committee that if we do not get our work done by the time you wish to adjourn this morning, that we be allowed to come back. The last time I appeared before your committee I spoke for an hour and a half, and I think our work is now extended. I do not wish to keep the members any longer than I can possibly help, but I would

ask that if we do not get through this, that we be allowed to come back if only for an hour or a half hour, and if not we will request that we be allowed to come back later on before the House adjourns.

We will start out with resolution (a):

That the widows allowance under the War Veterans Allowance Act be increased to \$75 per month. This is necessary owing to the high cost of living, especially increased rentals.

Gentlemen, may I say that we are asking for \$75 a month and we would really love to have it, but I do not think that we will get it. But, what we are more interested in than anything else is having it straight across the board doing away with any assistance funds or any supplementary allowance or whatever you might call it.

I do not want to repeat myself as I go down the list. Things have changed, even say in the last year, in respect to war veterans allowance applying to widows. We have naturally to say veterans and their widows. There have been many changes which we have to deal with in our local offices. I know in my own group of women that I have a 24 hour day job trying to make them understand things that the government is bringing out at the present time. At one time if there was anything applying to war veterans allowance which came out we had all the literature we wanted at each branch. This has not happened in the last few years; therefore, we are not kept in touch with the proceedings of the war veterans work. Another thing which I notice is that in the *Hansard* when anything comes up referring to veterans legislation, or war veterans allowance, that there is very little at any time mentioned about the veterans widows. There is one great organization of veterans in this country. But there is more than one organization of veterans in this country. I think when veterans work is being discussed that our work is just as important, if not more important, because of the fact that the government gives us this allowance, I think, because they felt sorry for us more than anything else. Since the government has given us this allowance they certainly recognize us as dependents and that we need it. Therefore, each year when we have come here, or every two years, presenting our brief, we have had little adjustments, but the adjustments which have been given to us on the one hand have been taken away by the other hand.

If any of the members wish to ask me anything on this, I will be quite willing to explain it.

By Mr. Herridge:

Q. Would you explain what you mean by benefits given to you which have been taken away?—A. I think that will come in another resolution. But the fact is that the press says today the cost of living has increased—

Q. I would like to explain that when members of the House refer to veterans and do not refer to veterans widows as frequently, it is because when we use the term veterans we are thinking of the term widows as well because they are veterans. Can you give an illustration of some of the rents that some of your members have to pay in your district?—A. Yes. In Quebec we all live more or less in three or four room flats, flats with stairs. Quebec is the province where it is said that the stairs hang out the windows. That is so. We live in these flats and have to heat them ourselves which sometimes takes between four or five tons of coal. I do not have a flat. I live in a room, and it cost \$18 a month about four or five years ago before the rents started to go up, and you add your water taxes, etc., over that. But, now that rent is up to \$35. Where I stay the woman is on war veterans allowance. I am giving you the lowest figure. Other flats in the same block are as high as \$50 for the same kind of house because a new tenant has come in. If we were to move out the

landlord would ask \$60 for the house, so we cannot afford to move out because if we try to get another house it would cost us \$60. These people are living under fear and dread all over the country of being put out of their homes because they may not be able to meet their rents. Mrs. Hickey, I presume, will permit me to say—she is from Toronto—that the house in which she lives and has lived in for 14 years which did rent for \$35 or \$40 a month, in the last five years has gone up to \$100 a month. She has to vacate. When you figure the total amount of the allowance which we are getting—mind you it is a Godsend when we get \$50—but when you figure the total amount these widows get and the fear and dread they are living under—we have lived so many years on this small amount that everybody is eating the same food and living through the same routine of fear of what is going to happen. That is the position I find the widows, my colleagues, in. We cannot do anything about the rents. Each province does what it likes. It seems to me—and I am speaking personally—that D.P.'s are coming into our own province and buying up all the property and putting the rents up so high, and the government has not taken any steps to try to curb this thing. This is nothing which has come from our convention table. This is something which has been brought in through the question asked me.

Therefore, we are asking that that amount of money be raised to \$75 with a ceiling of \$300. But, if the government was generous enough to grant us that \$75 without anything else we might have to come back and say that \$75 would not cover us with the high rentals.

I have widows who are living in rooms with their sons-in-law or their daughters and they are being put out of these rooms because the young people do not want their mothers, or their fathers who might be the veterans, staying with them. They cannot get places to live, so they go to a room. They can only pay a certain amount of money for this room if they are living in a house where the person is on a war veterans allowance such as I am. The lady I stay with is under the war veterans allowance and I pay her so much for a room. If I pay her too much it is deducted from her allowance. I understood in the earlier days when we got this allowance it was to the widow who had it by entitlement of being 55 years of age and had no other source of income. If the widow has \$1,000 in the bank and the investigator goes around he wants to know if she has spent any of that \$1,000. Or, they tell you that you have too much insurance. I do not want to dwell too much on this, but I think we have practically covered that first resolution by giving you the information that you asked for.

Mr. GOODE: I think you should put on record exactly the amount you are getting now.

The WITNESS: I can go back and say we got \$20 in 1943; between 1943 and 1944 we were raised to \$30 a month; in 1947 we got \$40 a month; we asked at that time for \$50 with a cost of living bonus. At that time the food could have gone down or the rents, or vice versa, so we did not get the increase and we were left at \$40 a month with the added amount of supplementary allowance. We now have \$50 a month which was granted between 1951 and 1952—it is usually dealt with in one year and comes into effect in the next year—with the added supplementary allowances.

Mr. ENFIELD: I am confused with your remarks in relation to the legion brief. They have a section called dependent parents where they also refer to widows.

The CHAIRMAN: It is suggested for the purpose of hearing better that the members stand when asking a question.

By Mr. Enfield:

Q. I have never known conservative members to be so hard of hearing before. I just want to tie in your remarks with what you say are the allowances and their remarks. It says here: "Dependent parents did not benefit to any extent by the revision of pension rates in 1951. Previous to that date, a widow, for example received \$75 a month."—A. That was under the Pension Act. This is war veterans where there is a different system altogether. It is a different department.

Q. You are not interested in the Pension Act in relation to that at all?—A. I will speak on that probably later on.

By Mr. Quelch:

Q. Do you have to sign a form every year showing just how much money you have in the bank?—A. Now, in most cases I am very well received by any of the departments. In Montreal I go to the department if any of the widows are in distress and think things are not going right. I had just gone there a few days before we came here because some of the women thought they were being investigated a little too often. Now, as far as I know from my own experience these widows are investigated twice a year, sometimes once a year, and if there is any doubt in the case they can be investigated at any time. They get forms to fill in. There would definitely be a form every second year. The investigator might be sent once a year and when the investigator goes he has certain questions to ask these widows which I will deal with later on if you do not mind.

Mr. DINSDALE: In cases where overpayment is discovered—

The WITNESS: Could I leave that to later on.

Mr. DINSDALE: Yes.

The CHAIRMAN: Would you rather have questions put to you as you go along?

The WITNESS: Yes. I think that as we go down these if the gentlemen asked questions we will finish each item at a time.

(b) That the permissible income ceiling be raised to the amount of \$300 a year, bringing the widow's total income to \$1,200 per annum. We feel at the present time it will take that amount of money to live I think a little bit. There are no luxuries because it has been in the press that man who has only \$2000 or \$3,000 a year cannot afford to pay income tax and we are not getting anything like that. I think that if the government could see fit to give it to us across the board and do away with this assistance fund—I really do not know. I would rather have someone ask me a question on that resolution.

Mr. QUELCH: If the request under paragraph (a) was not granted, that is, to raise the widow's allowance to \$75 a month, I would take it you would want the permissive income to be higher?

The WITNESS: No sir. I have to refer to a little note which I have made here which will bring in this point. About two years ago, at which time I think Mr. Mutch was in the chair, there was a section known as section 4 brought in for the men under War Veterans Allowance Act applying to work and working conditions whereby the veterans could go out and earn a certain amount of money in a week or month or three months and then report this to the department. When the veteran did this his allowance would cease, but if he made \$200 or \$300, or \$500 or \$600,—as long as he did not have \$500 or \$600 in the bank—he would automatically be put back on veterans allowance if he stopped working.

I recall that last year in talking to the minister and his colleagues—and I think Mr. Mutch was present at that time—this question was brought up in a matter of fact way, and I asked him if the widows could do the same and go out and work. Well, in the first place, gentlemen, we got this allowance because we were indigent widows and were off the labour market and if we were off the labour market 16 years ago, surely no one can tell me now, some 15 or 16 years later, that I can go out and work. Why is the government now offering us work?

I have received a letter in which the department suggests they will send an investigator to the widows on the war veterans allowance to try and find a way of helping them earn money by taking boarders or roomers or some type of work. I have to speak about the government. What is the government asking the department to do by offering to get work for the widows who would presumably come under section 4, the same section the veterans come under? I do not see this method at all.

The widows received \$20 a month in the beginning and it has gone up to \$50 and we are all getting older. This is something on which we have not been really advised by the departments of the government in their district offices. Why should they say: "Mrs. So and So, you receive the war veterans allowance, do you not think it would be better to try and get a job and we will endeavour to help you find one." General Burns was here,—I think in February or March,—and he came to our meeting in Montreal, and this question was uppermost in our minds. My secretary had written to the department and we could not have this paragraph defined. We wanted to know what this work was. We wanted to know how we could go out to work and make \$50 and raw \$50 from the war veterans allowance for a certain number of weeks or months, as long as it was not an excessive amount, which would enable them to re-establish their homes or buy television sets or refrigerators or what have you and then go back on the allowance.

I am extremely sorry that I was not able to have a little meeting with the minister and his colleagues in order to have this question completely clarified before I came to this table because I am at a loss personally to give you gentlemen the proper outlook on this question. We are now getting \$50 a month. Probably some of the members of the committee could get up and answer this question for me. The widows are getting \$50 a month now, and they are advised by the department—the local districts have nothing to do with it and I have nothing concise on it—that they can go out and work and make \$50 a month and continue to draw the \$50 from the war veterans allowance, giving them a total income of \$100 a month. In discussing this matter, I stated that I did not think it was fair to my neighbour who is receiving the war veterans allowance of \$50 a month and who cannot go out and earn \$50 a month.

What I would like to know—and probably one of the department officials or one of you gentlemen at this table will explain to me—is just how far this \$50 and \$50—how far the total amount—can go to, and what is going to happen afterwards?

Now, I am going to make a personal statement on this. I feel that under section 4 the men have the privilege of going off the war veterans allowance and earning any amount they like within three months or a year and automatically going back on the war veterans allowance. I am wondering if the same is going to apply to the widows for the reason that I gave, although I can bear to be corrected. I understand that now the department is laying out this ruling and that the local district departments can find the veterans jobs. Are they going to set up an organization to find jobs for the widows?

Mr. BROOKS: Could I ask you this: did you know that there were very few of the veterans who were able to take advantage of section 4? That is, the percentage is very very small. Out of some 30,000 veterans there were only some few hundred who took advantage of it.

The WITNESS: Honourable member, I think your remarks are quite in order, but does the department, or any of the local departments, know why the veterans are not taking advantage of that opportunity?

Mr. BROOKS: They are too old.

The WITNESS: This is off the record—I know I have that privilege,—but I have heard men say: “I am not going to go under section 4 because if I start to work the board is going to try and get me another job once I am finished with the one I have.” Now, I am saying that in all sincerity so you can see the same will apply to the women.

When I had my meeting with General Burns we decided we would not say anything about this to the widows because I would be up all night trying to explain it. We decided we would not say anything further about it until we came to Ottawa and got proper clarification on the one issue. Things are getting more complicated—not each year, but each month—in regard to war veterans allowances. When we instigated this movement we really instigated something, I am telling you. Each year it is getting worse and worse. I do not know who is responsible but someone in this House is responsible and where they get these complications from I will never know. I think I will have to get in on the inside.

Mr. GOODE: I do not know if I can agree with you that the veterans do not want to take a job but I do want to point out what was said in the committee yesterday, that it was strictly a matter of lack of information on the part of the veterans that some of them did not take advantage of section 4. I think you should know that.

The WITNESS: I certainly do. In fact, even before section 4 was brought out and before it was legislated I was a little dubious about the section myself. I think I should say at this time that I happened to sit in yesterday with my ladies listening to the Canadian Legion. I would like to say that I have personally brought many veterans' cases, men's cases, to this great city of Ottawa. On many occasions I have had to go and see Brigadier Melville. I do not know how I get involved with these cases but the men get in touch with me by phone—I have never met them, they telephone me and give me their regimental number—and I reply that if I am going to Ottawa, that I will try and do something for them. I would say that in three cases out of four the decision has been to the benefit of the veteran. Last fall, between September and January, I was able to get three veterans cases through with the assistance of Brigadier Melville and his department. I have the highest regard and respect for that department and also for the war veterans allowance department.

We feel the government could really extend this war veterans allowance. After all, all salaries are going up today, from the butcher and the baker and others up to and including you own salaries, gentlement, and another \$10 or \$20 a month would mean so much to the widows of veterans and I do not think it would cost the country very very much to increase the widows allowance. We are losing widows every day; they are passing on and some of them are quite glad to pass on at this time under the present circumstances of their existence. Is there any other questions, gentlemen, on that resolution?

Mr. GOODE: How many members have you, Mrs. Wainford?

The WITNESS: All over the country?

Mr. GOODE: Yes.

The WITNESS: That, sir, I could not tell you. I will endeavour to briefly explain the way we do our work. We have no head office and we do not take an interest in the various organizations. Each organization tries to get sufficient funds together to enable them to come to Ottawa. We all work individually. I did have figures giving the total number of widows in 1939. I believe at that time there were 40,000 widows. Recently I made inquiries again, and have learned that with those who have passed on and with those who have come in from time to time that the number is approximately the same. I understand there are approximately 40,000 veterans widows throughout the country who are receiving the allowance and that again is lack of information.

Coming back to section 4 and the remark I made concerning the men not wanting to work, I would not say it is lack of information which causes this. I think the literature concerning it and the program itself is so complicated that the average veteran does not understand it. Even if it were given to him on an information sheet he would not understand it. I am going to be very frank here, but I must say that the men down in the department do not understand it themselves. I am saying that in all fairness and truth. I always have someone with me and they said before I came up here: "Really, we personally do not understand this, and we are simply trying to follow this ourselves". I think we will have to come to Ottawa and have a special meeting all together and get into a huddle and try to clarify it. I just do my best to explain what I know and I think I am making a pretty good job of it in the meantime.

I do not mind answering questions and I will be only too pleased to answer any questions you may have. Shall we go on to the next resolution?

(c) That all non-pensioned veterans widows whose late husbands served with the Canadian forces be considered under the War Veterans Allowance Act, and that England be considered a theatre of war for men who served in the Canadian forces during the Great War 1914-18.

In our work through the years we have always been just on the verge of getting something really accomplished for us—and this is one resolution which we advocated away back in 1944-1945 and which would have become permanent legislation only for the fact that it seems that each time we get someone who is really interested in us there is either a shifting in the government or that individual is appointed to another job or passes on and that is what happened here.

Mr. GREEN: It kills them!

The WITNESS: The late Right Hon. Ian Mackenzie, former Minister of Pensions and National Health was interested in this. We had our battles in the early days, but he was very sympathetic despite what we might have thought to the contrary. Around 1944-1945 with the election coming on and one thing and another this resolution to have England recognized as a theatre of war was practically through. Our men enlisted and went wherever His Majesty's service calls them to go—we were under a King at that time—and many of our men were in England during the first war. Hundreds of them wanted to go to France—I don't know why—but they wanted to go to France; I suppose to have some fun. I always like to bring in a little jovial part!

An hon. MEMBER: Did they have any fun in England?

The WITNESS: I do not know, I would have to go over myself and find out! Nevertheless, for some reason or other they wanted to get into action. They were not thinking of receiving pensions at the end of the war or anything like that because they did not know what would happen. They wanted to go into action. There were all kinds of men who wanted to go into action from the butcher, the baker, and the candlestick-maker up to doctors and men who were cooking for the troops in England. However, these people—the veterans

and the widows—were denied any sort of assistance and we have hundreds of veterans' widows who are not getting any form of assistance whatever either through the war veterans allowance or in the form of social security in this country.

I noticed in the *Hansard* of the 10th of May that one of the members was speaking in the House on the same subject I am and he made a remark that many of the people who were receiving old age security might have fought against us in the war and that impressed me very much when I read that little paragraph in *Hansard*. I read all of *Hansard* and I cannot go through all the things which you gentlemen have said which have impressed me but that remark impressed me very much. I was pleased and impressed that a member said in the House of Commons and brought to the attention of the floor that many of the people who are drawing social security in the form of the old age pension—it might be \$40 a month for an individual and \$80 a month in the case of a couple—but probably some of these people fought against us in the first war and yet we have our own people in this country who are receiving no assistance. There is a part later on where that will come in under the work of the council.

Now, I do not presume that the government will take this into consideration, but I still think that the men who went to England did not do so in order to escape action and that England should be classed as a theatre of war as was done in the case of the second world war, I understand. I suppose, however, that at the time of the first world war Canada had never been in a war before and did not know very much about it. It would be in much the same position as we were when we started out new. We had to learn as we went along. I think the Canadian government has learned a great deal about pension legislation as the years have gone on—they might have made mistakes in the earlier days that cannot be rectified now—but I do not think there has ever been a law made that cannot be broken. I think there is always a way to get around a corner and I think matters should be adjusted to help the men unless the government intends to bring in another form of security program which would cover the men who only served in England.

Are there any other questions?

Well now, I think we will proceed with resolution (d).

(d) That the veterans widow in receipt of the allowance receive free medical care because the widow is unable to pay for herself and we ask that her family should not be penalized on her behalf.

This is another instance where we lost a good man. The late Colonel Carmichael who was very close to Senator Mackenzie was not only a brother to us but also a father in regard to giving us assistance and advice. Our delegation met on one occasion in the Transportation Building before a committee and I offered a suggestion at that time—I think I go back as far as 1943—that any recipient of a war veterans allowance—which was only \$20 at that time—should be given a small card by the government immediately upon receipt of the allowance to show that they were receiving the war veterans allowance and which would entitle them to free hospitalization when they went to a hospital. The question was asked: who is going to pay for this? I replied that I did not care who paid for it—it could be the provincial government or the federal government or both governments jointly. I have dealt with the provincial government down in Quebec and they threw their hands up and said: "You are a federal responsibility, the government had the war and they should look after the veterans and the widows." When I come to the federal government they say: "You are a provincial responsibility." I think there is a hole somewhere where we have to drop down and disappear. What can we do? We

feel we are a provincial responsibility because we are veterans' widows—a preferred group of women—and I still suggest to the women that we should have free hospitalization. I will give you an illustration which occurred in my province. Perhaps Mrs. Caunt could take a note and give an illustration from her province. If a woman goes to a hospital in my province—through the social service department—she is asked immediately: "Do you work? No. Any income? Yes, \$50 a month. Fifty cents for your card. You can't pay it? Can you pay a quarter? Well, I will try." Some say no, no, I cannot pay a quarter so they go through free, but the one who tries to pay that quarter pays it so they go through the clinic and probably are put into hospital.

I showed to the Minister of Pensions and National Health the hospital bill of a widow for \$375 and on that bill which was thoroughly itemized a charge of 25 cents was made for one aspirin and a charge of 15 cents was made for one orange. I do not have that bill with me now because I have already shown it to the minister.

In our province, as I presume is the case in other provinces, if the widow has any relations at all, including grandchildren, who are working the authorities will make them pay the hospital bill. That is what is causing much of the disruption in the homes where the mothers are being put out of their own family homes because the families figure that if she becomes sick and is taken to the hospital they will be responsible for the bill. I have said that in my province they will dig your great-grandfather out of the grave to make him pay the hospital bill and I think my suggestion for this form of card for the veterans' widows would save a great deal of trouble. I think the government could do that. The government gives grants to hospitals and for hospitalization and all provincial governments and municipalities do.

It is not very long ago that I received a call at 3 o'clock in the morning from one of my widows who was sick. I had to call the police and have her taken to the hospital in a taxi. She got into the hospital without trouble because she had no other source of income but if she had had any relations they would definitely have had to pay her bill. I think this could be done by the governments because, as I mentioned, the governments give substantial amounts of money to the hospitals and I think that the widows should be taken care of in that way. I want to leave this in your minds, gentlemen, and I am interested in seeing what can be done about it. It is very embarrassing for women to have to go to the clinic and to have to answer the questions they are asked especially when they are living as they are. When you go to a clinic with some money you can be a little saucy but when you live in poor circumstances your courage grows weaker and weaker when you appear before the people, many of whom are not very nice people. I will not dwell on it because if I do I will be feeling sorry for myself.

I trust this resolution meets with your approval. The government has always said they could not give free hospitalization to us because they would have to give it to the widows who are on full pension. If the government cannot see fit to do this I hope they will at least give us enough money so we can pay our own hospital bills even if we must continue to go to the clinic. I would not mind being a full pensioned widow getting \$100 and being able to go out and earn \$100 a day without any questions and investigators bothering me and there are many of our women—I would say the majority of the women who are with me today—who would like to find themselves in this position. I am not criticizing the pension commission; I am not criticizing anybody. In 1928 through a lack of knowledge of how to operate pension in the country many of our widows did not receive full pension. We were told in more cases than one that it was the fault of the men. They would not go to the department or to the government to see what the matter was until 1928 when the government

called all veterans in who wanted to appear for re-examination. At that time many of the men got their pensions re-instated and many of them drew thousands of dollars in back money from the government. I have educated myself concerning that situation and the government could have been bankrupt at that time if they had paid all the pensions that were owing. The government at that time widened the Pension Act in regard to veterans themselves, but many men—and perhaps some of you gentlemen might have been among them—said: “I won’t go to the department.” The department has stated in many cases it has been the fault of the men for not going to have their cases re-examined and I think a lot could be accomplished towards helping the widows if the husband would go to the department and find out what the situation is. The widows would not be left in a rut when it came to the time of the passing of her husband and there are many of them passing on at the present time. I believe it is the fault of the men. I do not blame the government. If we did not go to the government with our grievances we would not get anywhere.

Is there anything about which you would like to ask concerning this resolution? All right, I will go now to resolution (e):

(e) That all widows of Imperial veterans who have resided in Canada 20 years and whose late husbands died prior to having the necessary qualifications be granted the war veterans allowance.

There is an omission in this resolution which I am sorry I noticed too late because these resolutions were drafted here yesterday. I would ask that the government give consideration that this allowance be given to a widow who has been a resident in Canada for 15 years. I think there could be a little drop between the 20 years which is provided for the men and that it should be brought down to 15 years for the women. I do not know the total number, but there are very few Imperial widows who come under this allowance and the biggest disappointment that we members of the dominion council have, and I am going to state this as a definite fact, is that this was our resolution from the beginning and it was taken away from us by other veterans organizations whose prestige, I suppose, classed them in a higher bracket than us. They set the date of residence at 20 years. When we appeared before this committee—and this resolution was brought up on many previous occasions—we stated that it should be at the discretion of the government and we did not stipulate the period of residence. I do not know how many members of parliament here realize this, but back in the early days the government had a great deal to do with bringing Imperial veterans out here, paying their fares and establishing them in homes and if a veteran brought his family out to this country back in 1919 or 1922 or whatever it may have been and only lived here for three years and then passed on, the widow did not have enough money to pay her fare back, and the government paid her a pension whereas if she could have got back home she might be living under the social security plan or the national health plan. I know of one widow whose husband died less six weeks of being in this country for 20 years. I brought the case to the minister and his colleagues. She has been living under family welfare or assistance from the Red Feather Campaign for practically the last ten years and I think that if the government does not want to reduce the term of residence they should at least consider these cases on compassionate grounds. That widow’s husband came to this country and was helped by this country to bring her here. He died and she was left to raise her own children and since then has taken children in and raised them in order to make a living, but now she is getting on in years and she is a case of direct charity.

I might give you the reason why we put this question of Imperial veterans as one resolution which has nothing to do with the veterans board whatsoever. When we drafted this resolution it was for the sole purpose of having the

Imperials brought under Canadian legislation and we thought if we could not accomplish that at least we could get England recognized as a theatre of war to cover many veterans who had been in England. The difficulty in this is that many of our widows say: "Well, I do not see how Imperial widows can get this war veterans allowance when we Canadian widows do not get it," and that is a logical question. Why should Imperial widows get it? I do not know why, and the matter was not defined clearly enough by those in the veterans organizations who submitted this resolution. If we had the same power or prestige which permits us to come before the committees and you gentlemen in the House some few years ago as we have today there probably would have been a lot of changes and that is why we feel today we are wasting time. We are getting too old now. This thing is not solid enough; the rock is not solid enough—before we pass on—to leave it for those who come after us. We want to have this matter stabilized before we pass on. Therefore, if the Imperial veterans' widows are eligible for the pension—and I think there are very few of them—why is the Canadian widow whose husband went to England not provided for?

In our resolution we are asking that the term of residence be reduced from 20 years to 15 years. I was very sorry in going over these resolutions that I had omitted to bring that before our convention yesterday, and I hope that you gentlemen will keep that in mind and see if there is something that can be done about it.

Now we come to resolution (f):

(f) That all veterans widows now receiving the widows allowance and who have attained the age of 70 years be granted the full amount of old age security.

Mr. PHILPOTT: Now, Mrs. Wainford, in order that we can get that exactly clear, I take it what you mean in point (f) is that the total permissible income would be \$1,200 a year because that would come to the same thing? In other words, in point (a) you suggest for bargaining purposes \$75 a month but later on in your evidence you said \$60 a month. That would come to \$720 a year and the old age security allowance is \$40 a month, which is a total of \$480. In other words, the total permissible income should be \$1,200 a year?

The WITNESS: Yes. The reason I said earlier "we would come into those things" is because we are classed as old age pensioners. We come under the Old Age Security Act. When we first got this \$20 a month back in 1943, it was under the old age pension regulations and that is what the old age pensioners received then. I do not think that the honourable members in this room will say that I or any of my colleagues look like old age pensioners. I do not expect when I am 70 years of age I will need as much transportation or dressing up or require as much food in my stomach as I do today. I do not think a person who is 70 years of age has the same social life. I am somewhat active now, but when I am 70 I do not think I will be running around the streets and climbing on and off streetcars in the manner I do today. I do not think we should ever have been classed under the old age pension.

I can remember a few years ago, when the Honourable Mr. Milton Gregg was the Minister of Veterans Affairs, that he said: "We will put all the pensions in a bag and have a pool of them." That is automatically coming. I do not know where we will end up.

We are still existing. We are veterans' widows and not old age people at all and we should be treated as such because our men went to war and died premature deaths. The government itself says that a man ages ten years in war service so if he was 60 in years he is 70 in age, so therefore why should we be treated as though we were 70?

When we organized this association some 16 or 17 years ago—I might have been around 50 or 53 at that time—but my goodness, at 50 years of age I was a flapper! I do not see any logic in this part of it. Probably the government had something in mind and I believe they had, but it has probably been tabled and shelved.

I remember quite a few years ago when I first met Mr. Tucker—he worked for the late Right Hon. Mr. Mackenzie at that time—we openly discussed social security and national health. I am going back now 10 or 12 years. Mr. Tucker said it was tabled and shelved in the House of Commons and was ready to be brought out. However, we have not got it yet and I do not presume we will, and we women still have to pay our own hospital bills. I think there are many things this government could do if they wanted to. I was very disappointed to read in Hansard that the minister said there would be definitely nothing done at this session and the members of the council who are with me, and I suppose many widows throughout the country, are very disappointed too. Let us hope that the members do not stay away from Ottawa too long and that they will come back early in the fall to commence the session and that something will be accomplished before the year is out. We probably cannot accomplish anything at this session, but probably by next year we can look forward to really getting something done.

Are there any questions on this? I am trying to fill in my allotted time. I noticed, Mr. Chairman and gentlemen, that you took half an hour of our time this morning. We came into this room prepared to start at 11 o'clock. If you want to get through this morning, I will try to finish if you will bear with me.

Concerning the old age security, you can see by adding \$75 to \$300 that we would approximate the income of the old age pensioners, but there are quite a lot of complications attached to that, too.

Let me say first that when this old age pension scheme was brought in, in my organization I advised my widows not to accept it. We did have an official from Ottawa at one of our meetings, and I said: do not take the old age pension. You are war veteran's widows.

I would not say that we were actually forced to accept it, but they advised us very strongly and they said: You had better get in line and make application for the old age pension. So the widows got their \$40 as old age and only \$20 from the department. Here is their allowance cut in half. No, it is more than cut in half if she got \$50, as war veterans allowance.

Now you will see that when these people get the old age pension they usually get \$40 and \$20 from the Department of Veterans Affairs. But if she has a roomer or two in her house who can pay her a little more than the board says they can pay, then that is deducted from the war veterans allowance, so that she gets only \$10 under the war veterans allowance.

This is then an injustice, and it is only creating a lot of jobs for people to go out and investigate all these things and try to find out what it is all about.

On the other hand a widow may receive \$40 as old age pension and \$20 as war veterans allowance, and she may have a boarder and the boarder can pay her \$50 a month yet there is no deduction made.

But if she has a roomer, and he pays, let us say, \$6 a week, there is a certain amount of that room money which goes in as earnings which I think is an injustice.

If the widow is entitled to the war veterans allowance, she should have it as such.

There is one part here about families being penalized. I say that families are being very severely penalized and for years we have tried to curb it. I know what the department did years ago. Our families are being more penalized today than they were 5, 6, or 8 years ago, and I have brought cases of it to this table before today in which the investigator would go out and try to find out actually how much the family would be getting for extra assistance.

I find the act a little bit difficult to understand in regard to supplementary allowances from the assistance fund. I do not know if it is the fault of the government or the department in Montreal, or the fault of the investigator who goes out to visit the widow.

I did not discuss it and we did record it because I have been in touch with Mr. Parliament who is here today, and he has arranged that when I go back to Montreal I shall meet with one or two of the officials there and have some of these cases clarified. But why should I have to do that? If these widows are eligible for this extra supplementary allowance, \$50 plus \$10 supplementary, then I do not see why it should not be given to them.

When it was first given to them there was the basic idea that they have this \$40 and \$120 of earnings. I still think they are entitled to it. These families should not have to support the mother, and I think they should still be entitled to the \$120 from the department.

Suppose a widow applies to the D.V.A. for assistance. She fills in a form. An investigator is sent out, and she has to go through the same routine which she did when making her application. They ask how much insurance, how much money in the bank—bonds and anything else—how many children, what do they pay, and how much money do they earn. All that is taken down.

The board does not sit down there, the same as we are sitting here today, and make a decision.

Suppose it is turned down; suppose the case is turned down. We re-appeal it, and perhaps she will get \$10 a month for 3 months, or perhaps for 12 months; but why should the family be penalized?

If a woman gets \$50 war veterans allowance, and, if necessary \$120 if she can earn it—I think if she cannot earn, it should automatically go to that widow without her family being told: you should do this or you should do that.

If there are any other questions on the resolution, I am quite willing to try to answer them.

Before we discuss the last resolution there is something which just came to my mind. I do not think that my delegates will feel badly if I bring this up. It is the case of a deserted wife.

At one time we had this resolution on our form here, but it had to be taken off because of the many complications. But I think it is something that this committee should consider and discuss among themselves. It is the case of a deserted wife.

Especially arising out of the first war—and I might say that in my early days—again giving the department all honour for the privilege—I have been quite fortunate in getting some of these cases through.

Many men have gone away from home and never been seen again, but their wives have kept the homes open and brought up the family, still waiting for the men to return, which has not happened.

I know it is mentioned in your bill that a man must try very seriously to find out whether it is the fault of the husband or the wife, but I think it is something which should be dealt with as far as the government is concerned.

I see Col. Garneau is sitting in the room and I have something which I would like to have clarified. I phoned his office this morning. I did not think he was going to be here today.

This is in regard to an incapacitated child.

I dealt with this particular case many years ago and I understood that under the War Veterans Allowance an incapacitated child, when the parents were under the war veterans allowance, could not be cared for. I remember coming to Ottawa and discussing it with Brigadier Melville—who used to sit down with us in little groups along with whoever would come from the war veterans allowance department—and it was decided, many years ago when the war veterans allowance came in. I have to speak briefly of my own case.

A widow was getting the war veterans allowance. She had an incapacitated son at that time which, I think, was around 1943, and at that time he was 37 years of age. Both the widow and her son lived with her married daughter. And after the allowance came through—I thought supposing this widow should die; what is going to happen to this boy?

So I came back to Ottawa and spoke about it to Brigadier Melville and his colleagues and they decided to try to do something about it. There was a pleasant surprise about the whole thing when there was a resolution passed that a dependent child, incapacitated, would be taken care of. This had gone on for quite a few years. Then we came back again and I asked the department: what would happen if the mother should die? Would the allowance be continued to the child?

Oh no. So the government came across again and said: if someone were appointed as a trustee for the incapacitated child, they could keep them and look after them.

Recently I had a case of an incapacitated child and I advised the widow. I do not think the widow will feel very badly if I speak of this case. The widow and her daughter are here today. The widow is my vice-president and she is here as a delegate.

When this lady got in touch with me I spoke to her about going on the allowance. May I ask Mrs. White to stand up. Mrs. White is standing up and her daughter is sitting beside her; and she has an incapacitated child who is 33 years of age.

When Mrs. White came to see me I tried to counsel her and I said that if she could come under the war veterans allowance, if she could get it for herself and her daughter, it might save her daughter from having to go out to work under the present conditions and circumstances in which she is. I do not want to bring that up today.

So I went over to the D.V.A. and I spoke to Colonel Hague and other members, and he told me that there was nothing in the Act that would provide for an incapacitated child over 21 years of age, and that after the age of 21 there would be no provision under the War Veterans Allowance Act for that child.

I was rather disappointed. First I went to Ottawa about it where I was told that there would be. Then I went to Colonel Hague and he said: "No." However, Colonel Hague wrote to Ottawa and this letter which I have with me was received in reply to the letter from Colonel Hague. It reads as follows:

During the interview I had with you and Mrs. White last Friday, the 27th November, we discussed the question of the payment of an orphan's allowance under the War Veterans Allowance Act to an orphan twenty-one years of age or over, and I expressed the view that under no circumstances could an orphan twenty-one years or over be paid the allowance.

I have since been in correspondence with the Chairman of the Board in this connection, and he has confirmed that the War Veterans Allowance Act 1952 does not permit the payment of an allowance to an orphan after she has attained the age of twenty-one years.

He remembers discussing the case of Mrs. White with you, and as he recalls the conversation, the question at issue was whether or not Mrs. White could receive the Allowance at an increased rate on account of her being responsible for the support of her incapacitated daughter, aged thirty-two years.

Mr. Garneau regrets if anything he said lead you to believe that an allowance could be paid to the daughter after Mrs. White's death.

In asking about this widow, Mrs. Lauder, one of the members here and a delegate, had a conference at which this letter was contradicted. She said that it was in the act at the present time that an incapacitated child, under the war veterans allowance, and under the age of 21, can be provided for. Would you mind explaining that to me, please, Colonel Garneau?

Col. F. J. G. GARNEAU: In the case of a child over 21 years of age who is incapacitated, if it occurred before he reached the age of 21, he can be provided for, providing also that the child is living with the surviving parent; and that section of the act, if I am not mistaken, was introduced in 1948 at the suggestion of the board itself in order not to separate, so to speak, the child from the surviving parent in a case where they were deeply attached, and where outside living accommodation was not necessary.

There was no provision for that before. But if a surviving parent died, there is provision to continue the allowance to the child; and in the absence of a father or mother with whom the child over 21 was residing. Does that answer you?

The WITNESS: Yes, thank you. That answers my question. That clarifies the matter. According to the way it was discussed it seemed that if both parents should die, there could be consideration given to whoever would look after the girl or boy, the incapacitated son or daughter. Therefore I suggest that this question be given great consideration because under the Pension Act, dependent children and orphans are looked after, and I think this should really apply as well to the war veterans allowance. I think it would be pretty hard for a sister or brother who is incapacitated—if in the meantime the widowed mother is getting an allowance for the child. And if she should die, and the allowance is not carried on—let us say that the brother or the sister wants to keep the child, but they are not in a financial position to keep it; so they would have to send that incapacitated child to an institution.

It was given to me just "off-side" by one of the departments, that I should not worry too much about it because the government is bringing in some sort of legislation for all incapacitated people in the country. Now, I would like to know if that is really true. I realize that it would cover a multitude of people. I am happy to know that if the government definitely brings that in, we do not need to worry about these incapacitated sons or daughters. The only thing I would worry about, when the legislation comes in, and when the parent dies, again, is whether the incapacitated child is going to be put in an institution, if they have a brother or sister who is quite willing to keep them?

I think that is should be added to the law also, that they could be appointed as trustees, provided they are willing to take the child to keep it.

Naturally, there would have to be an investigation carried on by departmental investigators, to see about it. But I think it is something worth keeping in mind. In any event it is now being recorded for you to discuss later on.

Now we come to our last resolution which reads as follows:

THAT the government set up a permanent committee on Veterans Affairs and we ask that the Members of this Committee be given authority to select and present to the government the problems most pressing to the veteran or his widow.

The only thing I have to say on this resolution—I am here to be contradicted if I am wrong, because I am not very well acquainted with parliamentary procedure—but in reading the *Hansards*, not only from this parliamentary committee but from previous ones, I might have to speak very bluntly about this, and I hope you will bear with me in what I have to say in this connection.

This committee is set up, consisting of so many members of parliament; but you have no power to offer suggestions to the government or to put pressure on the government to do what you would like them to do. You get a piece of paper on which they say: this is what you have to do. I do not know if I am correct in saying this, but you have no power or authority, by sitting here, to tell the government in your opinion what they should do. You have no power. The government can tell you; the government has the power to tell you; but you cannot tell them what you think they should do.

I do not know if I am correct in this, but we have advocated that a permanent veterans affairs committee be set up here, year after year. I think that last year the minister said that he did not think it was necessary because we could come to him at any time. But I think that with all the organizations we have, if we were all running up and down here every two or three months and bothering the government, that they would not want to receive us in the same way that they would at such a table as this; and we would only be dissolved and not able to carry our work in helping our widows.

I am sorry that the minister is not here, and I would stress it upon the chairman who probably has some influence with the minister, that a permanent committee be set up. At such a time I shall speak for our own organization if enough complaints come in, or if there is something we want to place before you; and I think that such a committee should meet, let us say, once every few months, and at least twice a year. We might have to come before that committee to discuss matters around the table, not in the way I am doing it now—or whoever it might be, because I may not be the president next year; it might be somebody else who would come. I think they would sit down at a round table conference and discuss a number of things and go into them much more fully than I can do it today. I think that would benefit all parties concerned. So I ask, on behalf of the Dominion Council of Canadian non-pensioned widows that this resolution be given every consideration.

Is there anything which any of the members would like to ask about? I do not suppose the members want to voice their own opinions on this resolution, so I guess we will leave it as it is.

Now there is something else I would like to mention, and I would ask that this be not put in the record.

The CHAIRMAN: I do not know.

The WITNESS: The Chairman does not know what I am going to say.

The CHAIRMAN: It has been decided by the committee that a record of our proceedings be made and I do not think that I have the power to direct that what the committee has decided and parliament has authorized, should not be carried out.

The WITNESS: Could we not solve this, and if the members feel that it should go on the record, it should go on. I do not think anyone in the room knows what it is except perhaps Mr. Bennett here.

Mr. BENNETT: I think it would be all right to have it go on the record, Mr. Chairman.

The WITNESS: You know what was said: that if it was given to one, it would have to be given to many; and I think if it became publicly known—that is, if it were found out by other organizations that we were getting a concession from the government—but I will leave it to the discretion of the Chairman and the members.

On previous occasions we have asked that the government give us a concession, or give us a grant of money not to exceed \$1,000 for the purpose of bringing us before this convention. This is not outside work or anything like that. This is for the purpose of paying people to look after our western delegates who have large sums of money to pay out in order to come here. If they are not able to come, there will be a difference in the actual work that is being done.

Each year that we are called before the committee we have our delegates—I say our delegates, because we have with us a few ladies today who are only visitors to this convention. Our delegates have to be paid their expenses for travelling and for their time before this committee, one day's expenses for that. But I am not asking about that at the present time. I say again, if you want it on the record, that the Dominion Council of the Canadian non-pensioned Veterans Widows ask that the government give to them a grant, setting aside an amount of money not to exceed \$1,000 at any time, to be administered by the government, or whatever department it is.

In the late Mr. MacKenzie's time—I go back to that; it was during his period that this came through—I was offered at that time the position of handling this concession and I said: No, I do not want to have anything to do with it. I said that we could come here and fill out a form and enter up our expenses and submit it to the government and they could pay us accordingly.

The first time that happened we only used \$800 so there is still \$200 lying around this House. I told the minister about it and he said: We could have a good time on it if we could find it.

I do not think we would ever ask the government for too much. But we do know that other organizations get grants from the government and I do not think we should be any different in this whole matter. I will leave that thought with the Chairman for the minister when he hears about it.

I do not know if any of the members want to ask me anything. I have just gone on for more than the 1½ hours allotted; but if there are any other questions the members would like to ask me, I shall be glad to try to answer them. If not, Mrs. Caunt has something which she wishes to say, I would like to introduce to you my dominion secretary. She will not take up very much of your time.

Mrs. L. CAUNT: Mr. Chairman and gentlemen: I would like to thank you, gentlemen, for the opportunity to come before this committee. We certainly appreciate it.

I believe our president has expressed the resolutions very thoroughly. But there are just one or two words I would like to say about casual earning.

At the present time the ruling is that a widow in receipt of the war veterans allowance may go out and earn \$50 a month—that is, if she can get a position. But most of them are past the employable age and they can not get a position. It means that our ladies are at home, and where they can, they may rent a room. But that room is classed as profit.

We think that it could be classed as earnings. And if a widow could not go out and earn \$50—although she might be able to get that much for the rent of a room—we believe that such rent should be classed as earnings. Of course, I suppose, they would say: that is steady income; it is not casual. But what does it matter whether it is steady or casual as long as she can get it?

So we hope that when you try to solve some of the widow's problems, you will consider this point. That is all, and I thank you.

The WITNESS: Mr. Chairman, honourable members, and members of the government staff: I want to say that I have enjoyed coming before this committee. You have all been very cooperative with me and I hope that at another time—maybe next year—we can get together again.

I want to thank all of those with whom I have been in contact during the few days that we have been here, and I would like it if the Chairman would just pass on a word to the minister that we regret that he was unable to be here this morning. Thank you all very much, and thank you, Mr. Chairman.

The CHAIRMAN: Thank you, Mrs. Wainford, and Mrs. Caunt. I am sure the members enjoyed your presentations very much this morning. I think they were very ably made.

Now, gentlemen, we shall adjourn until Monday morning at 11 o'clock.

The Committee adjourned.

Canada, Veterans Affairs
Committee on 1953/54

HOUSE OF COMMONS

First Session—Twenty-second Parliament

1953-54

SPECIAL COMMITTEE

ON

VETERANS AFFAIRS

Chairman: **W. A. TUCKER, Esq.**

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 3

MONDAY, MAY 24, 1954.

WITNESSES:

Mr. E. L. M. Burns, Deputy Minister,

Mr. P. H. Parliament, Director General of Welfare Services,

**Mr. W. Gordon Gunn, Q.C., Director of Legal Services, of the
Department of Veterans Affairs.**

EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1954.



MINUTES OF PROCEEDINGS

House of Commons, Room 277,
MONDAY, May 24, 1954.

The Special Committee on Veterans Affairs met at 11.00 o'clock a.m. and the Chairman, Mr. Walter A. Tucker, presided.

Members present: Messrs. Balcom, Bennett (*Grey North*), Cavers, Croll, Dickey, Enfield, Forgie, Gillis, Goode, Green, Hanna, Harkness, Henderson, Herridge, Jones, MacDougall, Pearkes, Philpott, Quelch, Stick, Thomas, Tucker, and Weselak.

In attendance: Mr. E. L. M. Burns, Deputy Minister of Veterans Affairs, and the following other D. V. A. officials: Mr. P. H. Parliament, Director General of Welfare Services; Mr. W. Gordon Gunn, Q.C., Director of Legal Services; Mr. O. C. Elliot, Director of Training and War Service Lands Act; Mr. C. B. Topp, Chief Pensions Advocate; Mr. E. J. Rider, Research Adviser. Also, Mr. T. D. Anderson, General Secretary, and Mr. D. M. Thompson, Chief Welfare Officer, of the Canadian Legion, B. E. S. L.

Before the business of the day was proceeded with, Mr. Croll, rising on question of privilege, read an extract from the *Ottawa Citizen* on Saturday, May 22, 1954, relating to an interview given by Dr. C. B. Lumsden concerning the Canadian Legion's presentation to the Committee on May 19th.

The Chairman presented a Report from the Sub-committee on Agenda and Procedure as follows:

The sub-committee met at 2.00 o'clock p.m. on Friday, May 21st when the following members were present: Messrs. Gillis, Green, MacDougall, Pearkes, Quelch, Roberge, and Tucker.

The sub-committee reviewed the legislation now before the Committee with the object of finding a method by which the various bills can be most efficiently and expeditiously dealt with.

After careful consideration your sub-committee agreed to recommend as follows:

- (a) that sittings of the Committee be held on Monday, May 24th, Tuesday, May 25th, Thursday, May 27th and Friday, May 28th, at 11.00 a.m. on each of these days;
- (b) that the order of procedure for dealing with bills 82, 101 and 339, recommended in the sub-committee's report of 14th May, be rescinded;
- (c) that on Monday, May 24th, and Tuesday, May 25th, the Deputy Minister and other officials concerned of the Department of Veterans Affairs be invited to attend in connection with bills nos. 101 and 459;
- (d) that on Thursday, the Committee hear representatives of the National Council of Veterans Association;
- (e) that immediately following the submission by the National Council of Veterans Association the Committee proceed with a study of bill 82, if it is then available, and thereafter consider Bills nos. 339

and 459; that in connection with bill 339 the Chairman and other officials concerned of the Canadian Pension Commission be invited to attend;

It is further recommended:

- (a) that the Chairman be authorized to order the printing of such additional copies, of the day to day Minutes of Proceedings and Evidence, over and above the numbers already approved by the Committee on May 19th, as he may deem necessary.
- (b) that the travelling and other expenses incurred for attending before the Committee on May 20th be paid to the delegates of the Canadian Non-Pensioned Veterans' Widows, namely: Mrs. M. Wainford, Verdun, Quebec; Mrs. L. Caunt, Toronto 8, Ontario; Mrs. D. Lowther, St. Vital, Manitoba; Mrs. H. Hickey, Toronto, Ontario; Mrs. M. Pulford, Toronto, Ontario; Mrs. M. Hampson, Calgary, Alberta; Mrs. J. Spalding, Edmonton, Alberta; Mrs. M. White, Montreal, Quebec; Mrs. E. Cooper, Toronto, Ontario.

All of which is respectfully submitted.

WALTER A. TUCKER,
Chairman.

On motion of Mr. Croll, the said Report was adopted.

The Committee then proceeded with a clause by clause study of Bill 101, An Act respecting Benefits for Members of the Canadian Forces, during which Mr. E. L. M. Burns, Deputy Minister of Veterans Affairs, and Messrs. Parliament and Gunn were questioned on the various clauses of the said Bill.

Clauses 1 to 11, both inclusive, were passed.

Clause 12, with particular regard to sub-clause 2 thereof, was allowed to stand until such time as certain information requested by the Committee could be supplied by the Department.

Clauses 13 and 14 were passed.

At 1.00 o'clock p.m., the Committee adjourned to meet again at 11.00 o'clock a.m. on Tuesday, May 25th.

A. CHASSÉ,
Clerk of the Committee.

EVIDENCE

May 24, 1954.

11.00 a.m.

The CHAIRMAN: Order, gentlemen, please.

Mr. CROLL: Mr. Chairman, I rise on the matter of privilege. At the last meeting there was some discussion about the newspaper reports of the legion brief. Some objection was taken to them by the chairman and other members of the committee. I now wish to bring to the attention of the committee a statement which appeared in the *Ottawa Citizen* on Saturday, May 22, 1954, which reads as follows:

LEGION BRIEF NOT MEANT AS ATTACK ON PENSION BRANCH—

Wolfville, N.S. (CP)—Dr. C. B. Lumsden, president of the Canadian Legion, said Friday night he would not criticize the press for its interpretation of a Legion brief submitted Wednesday to the Commons veterans affairs committee in Ottawa.

The Press had reported 'the Legion charged the Canadian pension commission with lax administration' after Legion officials cited seven cases where the commission allegedly committed errors and omissions.

'Our brief was not an attack on the Canadian pension commission but was meant to establish the fact that there were delays in handling pension cases', Dr. Lumsden said. 'Circumstances demanded an amendment to existing legislation so that the applicant would not be penalized by developments beyond his control.'

'In order to illustrate these delays we had to quote a number of cases which were of such a nature that the press interpreted the commission actions as being unjustifiable and held the pension commission responsible,' he said.

'The report in the Ottawa papers did not distinguish between the press interpretation and the Legion's statements, but I do not criticize the press for jumping to conclusions as these cases showed the pension commission in a bad light.

'Our purpose was to secure change in legislation to prevent applicants from being penalized by delays.'

The CHAIRMAN: I think it is a very good thing to have the comments of Mr. Lumsden who presented the brief put on the record, Mr. Croll. The special sub-committee on agenda and procedure met at 2 o'clock on May 21 and their report is as follows:

The sub-committee met at 2.00 o'clock p.m. on Friday, May 21st when the following members were present: Messrs. Gillis, Green, MacDougall, Pearkes, Quelch, Roberge, and Tucker.

The sub-committee reviewed the legislation now before the Committee with the object of finding a method by which the various bills can be most efficiently and expeditiously dealt with.

After careful consideration your sub-committee agreed to recommend as follows:

- (a) that sittings of the Committee be held on Monday, May 24th, Tuesday, May 25th, Thursday, May 27th and Friday, May 28th, at 11.00 a.m. on each of these days;
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All of which is respectfully submitted.

WALTER A. TUCKER,
Chairman.

Mr. CROLL: I will move that the report of the subcommittee be adopted.

The CHAIRMAN: It is moved that the report of the subcommittee be adopted. Carried?

Carried.

Mr. STICK: Will that be the agenda for some time to come?

The CHAIRMAN: Yes, unless it is changed.

Mr. STICK: I wonder if you could circulate copies of the agenda to the members so that we will know what is coming up. We cannot remember all that.

The CHAIRMAN: We will have copies made and put them in the boxes of members.

Mr. STICK: Thank you.

The CHAIRMAN: Now pursuant to the report of the subcommittee which has just been adopted, it has been decided that we deal with Bill 101. Members of the department, including the deputy minister, are here today, and I think it was the thought of the subcommittee that we would take this bill clause by clause and if there were any clauses on which any members of the committee wanted to ask questions the members of the department would be available to answer them. General Burns, would you come forward, please? This is General Burns, the deputy minister, whom I suppose you all know, and Mr. Parliament is with him. Mr. Parliament is in charge of the veterans welfare services.

Mr. E. L. M. Burns, Deputy Minister, Department of Veterans Affairs, called:

The CHAIRMAN: Clause 1. Carried.

Mr. GREEN: Could we have an explanation from the deputy minister as to just what groups of veterans are covered by this bill?

The CHAIRMAN: Mr. Burns, would you please tell us that?

The WITNESS: Mr. Chairman, this bill relates to the veterans who served in the theatre of operations in Korea.

Mr. MacDougall: I wonder if the deputy minister would speak louder?

The CHAIRMAN: Perhaps you would stand and repeat your answer, Mr. Burns. It is very difficult for the members sitting in the back of the room to hear you.

The WITNESS: The veterans referred to in this bill, Mr. Chairman, are those who served in one theatre of operations relating to Korea, plus a certain number of pensioners of the special force who were injured or who suffered some disability before actually proceeding there.

By Mr. Goode:

Q. While the deputy minister is on this explanation I would like to ask a question. What will be our position in regard to the men in Europe relative to a bill of this kind?—A. This only affects those in Europe in regard to reinstatement in civilian employment and unemployment insurance. The bill provides them protection in both those respects.

Q. Will it be considered that the men in Europe will be on the same basis as the men in Korea as far as general benefits are concerned?

The CHAIRMAN: As has been pointed out, that is a question of governmental policy and we can reserve that to be dealt with later unless Mr. Bennett would care to make a comment.

Mr. BENNETT: The basis that most of these benefits apply to veterans in the Korean warfare was on the premise that they were in actual combat. I suppose that consideration would be given to the veterans in Germany and other places in the world as far as the unemployment sections of the bill are concerned but the general basis of these benefits was that the members of the Armed Services were in a theatre of operations in Korea and were entitled to the same benefits under the veterans charter as the veterans in World War II and the rehabilitation measures for World War I.

By Mr. Goode:

Q. Is this bill to include veterans who served in Korea regardless of whether it was before the cessation of hostilities or after?—A. Those who went to Korea after hostilities ceased are not entitled to the benefits, with

the exception of those benefits I have already mentioned as applying to all those who enlisted in the regular forces for not longer than a three-year engagement subsequent to the 5th of July, 1950.

Q. Mr. Chairman, the deputy minister said they are not entitled to the benefits. What is the basis of policy and where is the dividing line between a man who has served in Korea and a man who goes to Korea as an active man ready to fight if the occasion arises? Is he not to be entitled to benefits under this Act?

Mr. BENNETT: Mr. Chairman, that is the present policy. The man in Korea is in the same position as the man in Germany, England or Canada. He is prepared to fight if the free world is threatened, but these particular sections are applicable to those who were in combat—World War II veterans and Korean veterans—and that is what this bill is designed to meet.

Mr. QUELCH: I suppose we can presume that if the "cease fire" in Korea is broken they will be brought under the Act?

Mr. BENNETT: I would say so. That would be government policy and would have to be considered, but I would think that would be true.

By Mr. Green:

Q. Does the bill cover men who served only in Japan?—A. Yes, sir, that is considered part of the theatre of operations as relating to this war.

Q. Does the insurance principle apply as far as the pensioner is concerned?—A. Yes, sir, it applies to those who served in the theatre of operations with the addition, as I mentioned, of certain of those in the original special force. That was the specially enrolled group for the army raised in 1950. They were covered during the period of their 18-month engagement, even if in Canada, under the insurance principle.

By Mr. Pearkes:

Q. Are there any members of the special force still serving who are not included in the active force now?—A. I am informed, sir, there is one.

Q. He is a casualty, I presume?—A. No, sir, he married a Japanese girl and it is a question of obtaining her entry into Canada; so he is staying in Japan.

By Mr. Balcom:

Q. Does that also apply to any soldier who was sent to Korea?—A. Yes sir, if he embarked before the 27th of July, 1953.

By Mr. Green:

Q. The position is that the men who were in the East by the 27th of July, 1953 are covered practically the same way as a veteran of World War II, is that correct?—A. Who embarked and left for the theatre of war before that date.

Q. It would apply even if they had not arrived provided they had left the North American continent by that date, is that correct?—A. Yes sir.

Q. And the other men serving in Germany or England or who went to Korea subsequent to the date mentioned or who were serving in Canada in the active forces, they are all treated in the same way, and do not get any of this coverage except the reinstatement in civilian employment and the unemployment insurance benefits?

The CHAIRMAN: I understand the members sitting further down the table could not hear you, Mr. Green.

The WITNESS: That is correct, Mr. Green.

The CHAIRMAN: The question was that other members of the forces outside of this group that embarked for Korea or Japan before the 27th of July, 1953 are on the same basis. That was your question?

Mr. GREEN: Yes. What about the men in the navy?

The WITNESS: What is your question?

By Mr. Green:

Q. What about the men in the navy?—A. Those who were serving in the theatre or were in a ship that left for the theatre before that date are entitled to the benefits.

By Mr. Goode:

Q. What about the R.A.F. on the airlift to Japan; do they come under it? —A. Yes, generally speaking they come under the same conditions.

Mr. GILLIS: You are dealing now with the definitions?

The CHAIRMAN: Yes. These are general questions which I suppose are quite in order.

Mr. GILLIS: I would like to say this, in reply to the parliamentary assistant; I do not agree with him that the service in Europe and Korea are on all fours. There is a big difference. For instance, in Germany the accommodation is 100 per cent better. The troops over there have a right to take their families over. Their period of service is more definite, too. They have better recreational facilities, schools, and everything else. A man who went to Korea volunteered for an active theatre of war and when he went there he knew he was going to fight. He is separated from his family and his accommodations are not anything like they are in Europe. He cannot take his family there. He will be doing patrol work, and to all intents and purposes he is in a theatre of war which was so declared to be a theatre of war when he volunteered for combat service.

I think that this cutting out of gratuities and benefits because there is an uneasy armistice in Korea at the present time is entirely wrong. I think it would hit the morale of the troops in Korea and it would also cause others, who might have to go there in rotation, to think very seriously about going. I think this matter should be reconsidered. These boys should be fully protected as far as these grants are concerned until the situation changes more definitely in Korea than it has up to date.

Mr. BENNETT: I did not say that conditions in Korea were the same as conditions in Germany. I said that these benefits were made available because of the combat feature in Korea. It is pretty hard to draw the line between ships serving in Korean waters and in the Pacific Ocean and between people serving in Korea and in Germany and in other parts of the world. The basis is the combat angle.

These people were dispatched to fight in a theatre of operations. That has always been the basis for these benefits and it would be pretty difficult to draw the line.

As you know, the troops in Korea get \$9 a month which is payable to all ranks of the army serving overseas. It is also true that our troops in Germany get that. But it would be unfair for the men going to Korea to get these additional benefits while the men going to Germany would not receive them.

Mr. GILLIS: I think there is a tremendous difference. The chaps going to Korea have to leave their families in Canada. On the other hand, the chaps going to Germany or to Europe can take their families, and they may have living accommodations practically as good as in Canada.

Mr. BENNETT: Many of the veterans do not find it practical to take their families with them to Germany. There is an uneasy situation in Germany too which could break out at any time.

Mr. GILLIS: Yes. I realize you do not make these regulations, but I think it is absolutely wrong.

Mr. GREEN: Is there any difference between the benefits which a man serving in Germany or in Korea gets as distinguished from a man only serving in Canada?

Mr. BENNETT: Perhaps the deputy minister could answer that question better than I could. He gets \$9 per month which is payable to any person of the armed services serving overseas.

Mr. GREEN: Is that the only difference?

The WITNESS: That is all, according to our information.

Mr. HERRIDGE: In the first world war, were not all veterans who served in France given their full benefits upon their return to Canada, even those who went to France after the armistice?

The WITNESS: The difference which is considered to exist between the forces now stationed in Korea and those who fought in the two world wars is that those now stationed in Korea are all members of the regular forces who have enlisted on a regular engagement to serve with the Canadian forces in Canada, Germany, Korea, or anywhere; whereas those in the first two world wars were largely volunteers who had abandoned their civil occupations to serve, and who were going back to them again, afterwards, and who had to be rehabilitated.

Mr. GOOD: The parliamentary assistant, with whom I usually agree, says that there is a dividing line. I realize that he is not responsible for it and neither perhaps is the deputy minister; but it seems to me that we are drawing the line here too finely. With conditions the way they are now these chaps in Korea as just as likely as not to be fighting tomorrow morning, if we believe the newspapers. I think if a man goes to Korea he goes there with the full expectation—and he reads the papers just as well as we do—that he might be fighting tomorrow or the next day. I think we are drawing these conditions too finely for the purposes of the House, and I think the House would support the extension of these benefits to men serving in Korea, because they went over there with one intention only, and they knew that fighting might arise.

Mr. PEARKES: Is it not the difference that these men are regular soldiers and they are not volunteer citizens serving in a citizen army? When they join the regular forces they join on the understanding that they may be sent anywhere in the world where Canada requires them to go; they may be sent to Europe or to Korea. If fighting breaks out in Korea, or in Europe, or any other place where they are, I presume in that case this Act would be extended so that they would get the benefits; but while they are doing garrison duty as regular soldiers, they do not get the benefits. Is that not, roughly, the case?

The WITNESS: That is the condition, sir.

The CHAIRMAN: I understood that Mr. Burns said that they had certain rights and benefits, such as long-service pension, which volunteers would not have. Is that not correct?

The WITNESS: Yes sir.

The CHAIRMAN: Clause 2? Can we take the whole clause as carried?

Carried.

Clause 3. "War Service Grants Act". I will take it up a sub-clause at a time. Sub-clause 1? I take it that it has already been explained by the deputy minister; the effect of the Act in regard to the war service grants Act?

Carried.

Sub-clause 2? Carried.

Sub-clause 3? "Discharge".

Mr. HERRIDGE: Is that last clause for the purpose of further medical protection? I read:

(iii) if he has been evacuated on medical grounds from a theatre of operations for the purpose of further medical treatment, his admission to a hospital on Canada

That means any hospital, does it not?

The WITNESS: Yes; if he is admitted as a consequence of some disability incurred.

Mr. PEARKES: Is there not a possibility of a man being admitted to a hospital in the United States and then coming back via the United States? Might it not be the situation that the man's condition deteriorated on route from the far east to the United States, making it necessary for him to be put into hospital immediately upon arrival at San Francisco or Seattle?

The WITNESS: I take it that the clause stipulates when discharge is considered to take place, so that he would come back to a Canadian hospital eventually, and actually it would be to his benefit if such a thing as Mr. Pearkes suggests happened.

The CHAIRMAN: Shall the sub-clause carry?

Carried.

Sub-clause 4 "Pay and Allowances"?

Carried.

Sub-clause 5 "Service".

(5) The expression "service", as defined in paragraph (p) of section 2 of the said Act, means time served in the Canadian Forces.

Mr. GILLIS: You are extending the payment of gratuities in the case of a member who would come under these "War Service Grants Act" to certain members of the deceased person's family?

Mr. ENFIELD: Sub-clause 5 of the clause 3 would take care of that, I think.

The CHAIRMAN: You are referring to the change in the "War Service Grants Act"? That is bill 82.

Mr. GILLIS: Yes.

The CHAIRMAN: It is set out in bill 82. You will see that sub-clause 1 of clause 1 of bill 82 reads as follows:

"9. (1) Where a member dies without having used all of the re-establishment credit for which he is eligible under this Act, any unused portion thereof may, in the discretion of the Minister, be made available to

- (a) the widow of the member, in the case of a male member;
 - (b) any dependent children of the member, in the case of a male or female member, if the member dies without leaving any widow or widower or if the widow or widower is dead or cannot be found or it appears to the Minister that she or he has abandoned the children;
- or

- (c) the dependent mother of the member, in the case of a male or female member, if there is no person described in paragraph (a) or (b) to whom the said credit may be made available."

Mr. GILLIS: I think that covers exactly what I had in mind.

The CHAIRMAN: Yes.

Carried.

Sub-clause 6.

Carried.

Now, section 3, sub-section 1, "Gratuity to member of the forces"?

Carried.

Sub-clause 2, "Supplemental gratuity"?

Carried.

Paragraph 1 "Gratuity payable to member of the forces."

Mr. GREEN: On that subject, is it wide enough to permit the payment to be made to the children of veterans?

The WITNESS: That, sir, would be governed by the provisions of the War Service Grants Act. That Act does not now permit payment to the children; and that will be a new provision in the Act when amended.

Mr. GREEN: The Act as it stands at the present time does not permit such payment?

The WITNESS: That is correct.

Mr. GREEN: I wonder if this sub-clause 7 is wide enough to permit payments to be made to the children?

The WITNESS: Have you got bill 82 before you?

The CHAIRMAN: You are referring to bill 82.

Mr. GREEN: No, I am referring to this sub-clause 7 of the present bill which sets out section 5 of the War Service Grants Act.

Mr. BENNETT: If you have bill 82 before you, will you please look at it.

The CHAIRMAN: Yes, the gratuity, Mr. Green, was always covered because it was the property of the veterans and went to their next-of-kin, whoever they were; whereas the re-establishment credit was in a different category, as you doubtless remember.

Carried.

Mr. GOODE: Are we on clause 5 now?

The CHAIRMAN: We are on sub-section 1 of section 3, Mr. Goode.

Mr. GREEN: I think there is a little confusion here. Is it not section 3 of sub-section 7 of this bill, that you are considering?

Mr. CROLL: That is what we are on now.

The CHAIRMAN: Oh yes, that is right. Yes, we carried it.

Mr. CROLL: Now you are on clause 5.

The CHAIRMAN: Yes, section 5, sub-section 1.

Mr. PEARKES: On clause 5, sub-clause 1, may I ask whether these payments will come under the provisions of the succession duty Act for any widow who would have to pay succession duty? Was a change not made in the Pension Act—I think it was the Pension Act—earlier in this session which extended the amount of time for the non-pensionable widow over a period of years, so that you would not have to pay succession duties all at once. Now, is any similar provision made here?

The CHAIRMAN: We are checking that with the legal officer of the department, Mr. W. Gordon Gunn, Q.C., Director of Legal Service, Department of Veterans Affairs.

Mr. GUNN: The question General Pearkes put is: does the widow in a case like this have to pay succession duties on the gratuity she gets? Might I have a couple of minutes to take a look at this Act and another Act before I answer that. I think there may be something here that may be helpful. It is a question where the Income Tax Act and the Succession Duties Act and other Acts have to be considered.

The CHAIRMAN: Whenever you are ready to answer—perhaps we do not need to have the section stand.

Mr. HENDERSON: What type of release do they require from the provincial and federal concession duty departments to release these funds? That is generally the time when the widow wants to get hold of some money and a great deal of it is tied up until she gets releases. I wonder if this was also tied up, the credits to which her husband was entitled.

The CHAIRMAN: Is it your wish to have this subclause stand?

Mr. PEARKE: I would like to have it stand because this is a very important question, this question of succession duties.

The CHAIRMAN: Now we come to the veterans rehabilitation clause, clause 4, subclause (1) except 5 which stands until we can get an answer from Mr. Gunn.

Subclause (1), application of revised statutes, chapter 281.

Carried.

Subclause (2) "veteran."

Mr. HERRIDGE: Mr. Chairman, under clause 4 I wish to refer to para (b) of sub-clause (2):

Every officer or man of the reserve forces who has been on service in a theatre of operations on the strength of the special force and whose service with the regular forces has been honourably terminated, and for the purposes of that Act such termination is deemed to be a discharge.

I wish to make a comment on that. I have some personal experience I would like to bring to the attention of the minister which does show how injustice can prevail at times although it is unintentional. There is a constituent of mine who served four years in the First World War and five years in the Second World War, and then he served five years in the permanent force of Canada since the Second World War. Then, at the conclusion of the five years he was discharged as "unlikely to become an efficient soldier". As a matter of fact that was based on completely incorrect information and when the Department of National Defence knew the facts they corrected the situation and gave the soldier in question a normal discharge; he suffered a more or less limited injustice. But I have run into a number of cases where men who committed crimes, which in civilian life would be quite inconsequential, suffer as a result of those offences even today through loss of gratuities and pension rights, and in one case I know of an officer of the permanent force who was dismissed from the force and lost his permanent force pension on that account. I would like the deputy minister to explain in a few words to the committee the procedure for the review of the discharge of a soldier for other than honourable discharge.

The WITNESS: Mr. Chairman, I am afraid that that question would have to be answered by a representative of the Department of National Defence. As doubtless Mr. Herridge is aware, so far as the gratuities and reestablishment

credits are concerned, there is a special board of review set up, consisting of departmental officers at the present time, who consider whether in the case of a discharge other than honourable the man has not given sufficiently good service to entitle him to all or some portion of gratuity.

Mr. HERRIDGE: This board does not cover pensions of the permanent force?

The WITNESS: No, sir.

By Mr. Harkness:

Q. There seems to be amongst some of the members who served in the permanent forces a lot of misunderstanding in connection with what their rehabilitation rights are. As I understand this the only member of the regular force who is entitled to these rehabilitation benefits is one who has been discharged more or less immediately after his service in the special force. Is that correct?—A. No, sir.

Q. (c) says:

Every member of the regular forces who, prior to the 27th day of July, 1953, served in a theatre of operations on the strength of the special force, and who has been honourably discharged from the regular forces...

When can that discharge take place and the man still be entitled to the rehabilitation benefits?—A. At the end of his current engagement.

Q. Could it be seven years from now?—A. No. It would be a three year engagement.

Q. If he re-engages in the permanent forces then he has no right to these rehabilitation benefits?—A. So I understand.

Q. I have run into one or two cases of people who still thought they had these rights and as far as I could make out they would not have them under the regulations which exist.—A. At one time, Mr. Chairman, the rehabilitation benefits, these educational or vocational training benefits, were only given to personnel who were serving on regular force engagements if they were discharged by reason of some disability incurred in the operations. But, after the operations were over that policy was changed and those who take their discharge in the ordinary way from the regular forces now have the benefits provided by this Act.

Q. Provided that they were discharged at the end of the term of service which they were serving at the time in which they were in the special force.—A. I believe that is so. If you wish we can look up the regulations and refer them to you.

Q. It is a point which I think should be cleared up so that there will be no misunderstanding.

Mr. MACDOUGALL: Before we pass on from that, Mr. Herridge referred to the possibility of a dishonourable discharge due to inconsequential so-called crimes. I do not think that they apply. Certainly it did not apply in the First War because I myself got an honourable discharge and I had previously in my earlier days bopped a lieutenant in the nose. I think that that was an inconsequential act and as a result of that it did not in any way affect the honourableness of my discharge, and I think the same thing applies now.

The CHAIRMAN: Of course even if there is discharge that is not honourable this committee of which General Burns is chairman can recommend payment of the grant, and as I recall it if they make a recommendation that the grant be paid then these other rights follow.

By Mr. Goode:

Q. Has this committee had cases before them? How many cases have there been before them and what is the percentage of favourable disposition made of the cases referred to the committee? Could the deputy minister tell us that?—A. I would have to collect that information.

Q. Could we have that at some future time?—A. We have been dealing with cases of people discharged who were veterans of the Korean operation and discharged with other than honourable discharges.

Q. You have been handling them?—A. Yes. And there have been a considerable number of favourable decisions and some unfavourable ones.

Carried.

By Mr. Harkness:

Q. On this particular point it seems to me that the regulations in this Act will discourage people from re-enlisting. Where a man has served in the regular force for a three year term and comes to the end of that term if he re-enlists he loses his rehabilitation benefits and supposing he is discharged because he is not likely to become an efficient soldier, or for any other reason, within a few months, he is out of luck. I think there should be some specified period during which he would be eligible for these benefits?—A. I do not think the problem is an important one in the numerical sense. Gratuities have been paid to 23,261 members of the forces with service in Korea and to dependents of some who died. Now, as regards this training, 63 veterans have undertaken vocational training, and 89 have completed it while 48 had withdrawn. That is a total of 200. With respect to university training 54 are undergoing it. Four have completed; that is 58. And 18 have withdrawn which is 76. So, you will see that the number of these veterans who are interested in training is on a very less scale than those who were interested following service in World War II. I think it is fair to say that those who want to take university training, or even vocational training, take it at the end of their enlistment after they have done their service in Korea.

Mr. GREEN: What particular difficulty would it present if the eligibility were extended to the period whenever the man finishes his service even though it may be after a re-enlistment?

The WITNESS: My attention has been drawn to clause 26 of the bill: "A person who is an officer or man in any of the regular forces and who has been on service in or on the strength of the special force is deemed for the purposes of this Act to have been discharged from the regular forces on the 31st day of October, 1956." So, he has up to that time to decide whether he wants to take this training or otherwise.

The CHAIRMAN: Then he would have a year after that under the sections of the Veterans Rehabilitation Act.

Mr. DICKEY: Is not this situation pretty much the same thing as that which existed after World War II when the interim force was created?

The WITNESS: Yes, sir. That is so.

By Mr. Goode:

Q. There would be no question that this was lack of information as far as the men who served in Korea were concerned because there seems to be a very small percentage. The thought comes to my mind as to whether the men are informed of the benefits they may have. Can the deputy minister explain just what procedure is followed in regard to informing the men of the benefits they are entitled to?—A. I am informed that all men are counselled

on their discharge as to the benefits to which they are entitled by reason of their service. I think it is fair to say that the forces, who are anxious to keep the men in, have not been stressing that there are various benefits to be had if they get out.

Mr. MACDOUGALL: That is a reasonable conclusion, I would say.

By Mr. Green:

Q. It does seem to me that we should have a little further look at this situation. Apparently 22,000 men who fought in Korea have been discharged and have received war service gratuities but under 1,000 of those men have received any benefits under the Veterans Rehabilitation Act. Is that correct?—A. Not all that number have been discharged. Many of those are still serving in the regular forces. Many of the 22,000 members of the forces who received gratuities are still serving.

Q. What number of those 22,000 have been discharged? If we could get that figure then we could tell whether the proportion getting rehabilitation benefits is reasonable.—A. We do not have those statistics as regards the regular forces, Mr. Chairman. However, I am informed that approximately 4,000 of those who enlisted in the original special force have taken their discharge.

Q. Then the comparison would be that about 4,000 have been discharged and have been paid war service gratuities and out of that 4,000 only a few hundred have received any rehabilitation benefits. Would that be a fair analysis?—A. Only a few hundred have taken training, Mr. Green.

Mr. HANNA: Does that mean some would have taken benefits under the Veterans Land Act and re-establishment credits?

The WITNESS: Mr. Chairman, I was originally prepared to make a statement at the beginning which would perhaps have cleared up some of these points.

The CHAIRMAN: We might as well have the whole statement right now and then it will cover all the points, and then we can come back to them later. I think that would keep it all in one place in the proceedings if you would just give it all, Mr. Burns.

The WITNESS: Is it necessary for me to recapitulate about the gratuities?

The CHAIRMAN: No, we could start where we left off.

The WITNESS: Mr. Chairman, re-establishment credits in the amount of \$3,741,656 have been set up for these members of the forces who received gratuities. These credits average approximately \$174 per man. In the same period a sum of \$1,553,470 has been used by these veterans as re-establishment credits. In passing, I might say that re-establishment credits can be used by members who are still in the forces. I have mentioned those who have taken training or are still continuing training.

The CHAIRMAN: Could you give us those figures again?

The WITNESS: As of the 31st of March, 63 veterans were undertaking vocational training and 54 were undertaking university training. 89 veterans had completed vocational training and 4 had completed university training while 48 had withdrawn from vocational training and 18 from university training.

As for awaiting returns allowances, which are identical with those for World War II, as of the 31st of March, 1954, 14 veterans had been paid or were in receipt of these allowances.

With regard to the Pension Act, I am quoting from information supplied to me by the chairman of the Canadian Pension Commission. The existing Veterans Benefit Act empowers the Governor in Council to make regulations to extend the benefits of the Pension Act to persons who, subsequent to the 5th of July, 1950, were on service in a theatre of operations on the strength of the special force. The regulations so passed had the effect of making all the

provisions of the Pension Act applicable to such persons during their service in a theatre of operations and consequently any disease or injury suffered during such service was pensionable unless resulting from improper conduct.

The special force pensions as of the 31st of March, 1954 were as follows:

There were 874 disability pensions with an annual liability of \$341,357. There were 128 dependent pensions with an annual liability of \$161,808. There was a total of 1,002 pensions with a total annual liability of \$503,165. In addition, there were 144 gratuities for less than 5 per cent disability which have been paid.

The benefits of the Veterans Land Act are available to members of the Canadian forces who served in Korea before July 27, 1953, or who are in receipt of a pension under section 5 of the Veterans Benefit Act, except that the director may not grant further assistance to any such veteran if, at the date of his discharge, he has a subsisting contract with the director or has already earned his conditional grant. Where the contract or agreement of a veteran was rescinded or otherwise terminated prior to his discharge, he may become eligible if he reimburses the Crown in the amount of any loss suffered by the Crown out of his previous establishment. Statistics on special force applications under the Veterans Land Act to March 31, 1954, are as follows: Number of applications received, 236; number of applications withdrawn or cancelled, 40; number who were declined qualification, 57; number qualified, 86; number approved for financial assistance, 38; number for whom disbursements have been made, 34.

The benefits of the Veterans Insurance Act as available to veterans of World War II are continued to veterans of special force service in a theatre of operations, including both those who have been discharged and those who have chosen to remain in the regular forces. The period of eligibility continues until October 31, 1958. The widows of those who died during or after such service become eligible for the unexpired balance of their husbands' period of eligibility.

Seven policies have been issued to Korean veterans and one policy to a widow of a Korean veteran.

There are also provisions in regard to reinstatement in civil employment, veterans' business and professional loans, the Civil Service Act, the Superannuation Act and the Unemployment Insurance Act, but with the exception of the last, these are not interesting statistically. However, in regard to the Unemployment Insurance Act, contributions are paid to the unemployment insurance fund on behalf of men who have served since July 5, 1950. If ex-members of the forces have served for at least 91 days they are guaranteed a minimum of three months' protection under that Act. As of March 31, 1954, \$1,731,578.48 has been paid into the unemployment insurance fund by this department in behalf of 26,054 veterans. These provisions which combine the protection granted by way of "out of work" allowances and under the U.I.C. Act in the World War II "Veterans' Charter" have proven effective and satisfactory.

And finally, Korean veterans who have had service in a theatre of operation as defined in section 2 of the Veterans Benefit Act were made eligible for War Veterans Allowance by 1952 amendments to the War Veterans Allowance Act, section 30 (7).

Mr. MACDOUGALL: Mr. Chairman, the deputy minister mentioned something earlier about a subsisting contract; what does that mean?

The CHAIRMAN: Existing contract.

Mr. MACDOUGALL: I am sorry, I misunderstood.

The WITNESS: I am supplied with this information by the director of the Veterans Land Act.

The CHAIRMAN: Does that carry?

Carried.

- (a) in the case of a person described in paragraph (a) of subsection (2) of this section, the period of his service in the Canadian Forces, prior to the 1st day of November, 1953, under the terms of his enrolment for service in the special force;

Carried.

Mr. GREEN: Would the deputy minister explain why the date of November 1, 1953 is used?

The WITNESS: That date that terminated the period under which benefits could be accumulated in the theatre of operations was the 31st of October, 1953, and I am informed that for legal reasons this 1st November date was put in the Act, if that answers Mr. Green's question.

Mr. GREEN: That is, there was a period of three or four months after the armistice came into being in which benefits could still be accumulated?

The WITNESS: A period of three months, Mr. Green—a little over three months.

The CHAIRMAN: Carried.

Subclause 4.

Mr. GREEN: There you have a time limit of 12 months from the 31st of October, 1953. Why is that time limit made such a short period?

The WITNESS: Or, from the date of his discharge, Mr. Chairman, whichever is the later. That is the usual provision.

The CHAIRMAN: It is practically the same as in the Act, Mr. Green, section 7, subsection 3. The only difference is it gives a date in this Act and in the original Act it says: "Except as hereinafter otherwise provided, no allowance may be paid under this section unless application therefor is made by the veteran within twelve months after the date of termination of the war or the date of his discharge, whichever is the later date."

Mr. GREEN: Have you not found it necessary to extend the date?

The CHAIRMAN: That is the next subsection which reads as follows:

(4) Where a veteran

- (a) was a patient or receiving any treatment from a hospital or health institution,
- (b) was in receipt of an allowance for temporary incapacity under section 4, or
- (c) has been delayed in entering business by reason of licensing or rationing laws or by reason of scarcity of the commodities or equipment required by him.

he shall have such additional time for applying for benefits under this section as is involved in the circumstances described in paragraph (a), (b) or (c).

Here in the bill instead of "termination of the war" we have the 31st of October, 1953.

Mr. GREEN: Has it not been the experience that the department has to go to parliament every year or so to get an extension of the deadline?

The CHAIRMAN: No, not in connection with this particular part of the Act.

Mr. GREEN: They have not?

The CHAIRMAN: No.

Mr. GREEN: Is it never extended at all?

The CHAIRMAN: No.

The section I just read concerning delays due to temporary incapacity was sufficient to cover it and was put in the original act and this is carrying out the same idea in effect.

THE WITNESS: As far as extending the benefits for training is concerned, the minister has the power to make exceptions if the veteran shows a good cause why he could not apply.

By Mr. Jones:

Q. Do you take steps to draw the attention of the veterans to the limiting clause at the time of their discharge? How does a veteran find out about it?—
A. I am sure, as they are counselled about this matter, they would be informed about the period in which they have to make application.

By Mr. Herridge:

Q. I think it would be a good practice for the discharging officer in every case to be instructed to inform the soldier that he should consult his nearest Veterans Affairs Department officer for full information concerning his rights.

THE CHAIRMAN: Perhaps the deputy minister would care to add a few words of comment on Mr. Herridge's suggestions.

THE WITNESS: I am informed that the same form for counselling is used as in world war two, and that at one place on the form it has to be marked down that the counsellor has advised the "dischargee" that he should see the rehabilitation officer or a member of the veterans affairs staff.

MR. GOODE: It says in sub-clause 4 "such additional time". What is the usual procedure as far as "additional time" is concerned? How long after the chap comes out of the hospital is usually given him?

THE WITNESS: The normal period is a year.

MR. GILLIS: I wonder if the deputy minister would explain to us what the machinery is as between National Defence, the Department of Labour, and Veterans Affairs, in the case of unemployment insurance, where the veteran is discharged and he comes back to his hometown and there is no employment, and he makes an application for unemployment insurance?

THE CHAIRMAN: If you do not mind, Mr. Gillis, could the witness not answer Mr. Goode's question first while we are at it? With respect to additional time under clause 4, that was involved on his being a patient, or in receipt of an allowance for temporary incapacity, or because of delay in entering business; he is given that additional time in which to apply, over and above his 12 months.

MR. GOODE: I understood he was given a year.

THE CHAIRMAN: Yes, and then additional time; he gets the time which was involved in being in hospital receiving treatment, or being in receipt of an allowance for temporary incapacity, or having been delayed in entering into business; he is given that additional time in which to apply under subclause 4 of the original Act, and that is carried forward into this amending bill. Is that clear?

MR. GOODE: No, Mr. Chairman; but I will read it again when *Hansard* comes out. Maybe I will understand it before then. The veteran coming out of hospital is given sufficient time in which to make up his mind.

THE CHAIRMAN: He gets a year plus the time which has been involved while he was in the hospital.

MR. GILLIS: I was asking about unemployment insurance; the document comes back to the Department of National Defence, but before he can receive unemployment insurance in his home community, the Department of Labour has to get the credits and forward them to that office, and there are months

and months of delay. I have been complaining about it for a long time. I do not know what has been done to correct it. What machinery is there?

The CHAIRMAN: Would you mind letting your question stand until we get to that particular part of the amending bill?

Mr. GILLIS: Well, he was talking about unemployment a moment ago.

The CHAIRMAN: I know. The witness put the whole statement in so as to have it before you. Perhaps you will not mind waiting.

Mr. GILLIS: I do not mind so long as we have an opportunity to bring it up to date.

The CHAIRMAN: We will be coming to it when we get to that part of the bill. Does that carry?

Carried.

Now, subclause (5)? That carries forward the same idea as in the original bill, except that the date is the 31st of October instead of the end of the war.

Carried.

Subclause (6): s. 26 of Revised Statutes, chapter 281.

Mr. HARKNESS: This is the one which you brought up a few minutes ago when I asked about the position of regular soldiers. As I understand it, subclause (6) provides that a man who remained in the regular forces has until the 31st day of October, 1957 in which to make his application. Is that correct? It would be a year from the date mentioned here, in 1956?

The CHAIRMAN: The original Act said June 30, 1948; and, of course, the same idea is carried forward into this bill.

Carried.

Now, before we pass on to the "Pension Act", Mr. Gunn is ready to deal with the clause which stood, that is, subclause (5) on page 3.

Mr. GUNN: You will realize the reason I asked for a little time was that I did not want to give you a snap opinion on such an important point; I wanted to consider whether clause 26 of the War Service Grants Act would have a bearing on the question of succession duties. Just let me read it:

Chapter 289, War Service Grants Act, R.S.C. 1952, section 26, subsection (1), reads as follows:

26. (1) No gratuity payable or credit available to a member of the forces or his dependants is subject to attachment, levy, seizure or assignment under any legal process or to taxation.

In my opinion, Mr. Chairman, that expression "or to taxation" covers the question raised, and I would say that a succession duties Act would not have any contrary bearing. I think that is all.

The CHAIRMAN: Carried.

Now we come to "Pension Act", and clause 5, subclause (1), "Application of Revised Statutes, Chapter 207"; that is the Pension Act:

Mr. QUELCH: Is the operation of the insurance principle limited to the period of time defined under subclause (b) of clause 2? What I have in mind is this: what is the situation regarding Canadians who are over there at the present time? Suppose a soldier incurs a disability. Is it automatically pensionable or does it depend on whether or not that disability was incurred on duty? Suppose he receives a pass and while he is on, let us say, a 24-hour pass, he receives a disability. Would it be pensionable?

The WITNESS: I think, Mr. Chairman, that for a soldier serving in Korea at the present time is, the same rules apply as to his service in the regular forces in this country; that is to say, any disability has to be attributable to service.

The CHAIRMAN: Does clause 5 carry?

Carried.

The CHAIRMAN: Now subclause (2), "Saving provision":

Mr. HARKNESS: What is the meaning of that? I do not understand just what the effect of that is.

Mr. GUNN: It is more or less a drafting provision to make sure that sub-clause (2) of clause 13, which as you know applies to the personnel serving within Canada, should not, under any circumstances, be made applicable to the special force, the people or the men who were recruited for the special force. That is the sole purpose, to make doubly sure that service of the special force members is covered and that the insurance principle would apply to those who were especially engaged in that service.

Mr. HARKNESS: And the effect of it would be that: suppose a man was in the special force; even although he is killed while on leave, his estate would still be entitled to his pension?

Mr. GUNN: That is right, Mr. Chairman.

The CHAIRMAN: I think you did not make it quite plain in your answer to Mr. Quelch, as I understood it, Mr. Gunn, that this Pension Act applies to a person enrolled for the purpose of serving with the special force, under the terms of such enrolment; so, if he enlisted for service in the special force, it applies to him, even though the disability occurred after the time limit set out in clause 2.

Mr. GUNN: That is so; that is another angle of it.

The CHAIRMAN: I do not think you made that plain when answering Mr. Quelch.

Mr. GUNN: Either before he left Canada for service elsewhere or after he came back.

The CHAIRMAN: That answers your question, Mr. Quelch.

Mr. QULECH: Yes.

The CHAIRMAN: Carried. Now, clause 6, sub-clause 1?

Carried.

Sub-clause 2 "Veteran"?

Carried.

Sub-clause 3 "persons qualified to participate"?

Carried.

Sub-clause 4 "persons not qualified to receive additional benefits"?

Carried.

Now we come to the Veterans Insurance Act. Clause 7, sub-clause 1, "Application of revised statute chapter 279".

Mr. HERRIDGE: Before we pass this section, would the deputy minister be good enough to inform the committee what percentage of veterans have applied to take advantage of this Act, with respect to Korean service as compared to world war 2?

The WITNESS: As I have already mentioned, only seven policies have been issued to veterans, and only one to a widow; so the percentage is very small. I am afraid I do not have with me the statistics of the number of policies issued as a result of world war 2, but according to my memory it is in the neighbourhood of 25,000, which is 25,000 on a million, which amounts to 2.5 per cent; Korean applications show a considerably smaller percentage.

Mr. GOODE: Did you say 7 out of 4,000?

Mr. GREEN: I wonder if the deputy minister could give us an opinion as to why so small a proportion of these young men seem to be taking advantage of any of the benefits? It may be that there could not be any change made in the legislation which would bring about a larger number of applications, but it does seem strange that so few of them are asking for these benefits. For example, only 7 have taken out returned soldiers insurance. I would assume that the whole 22,000 were eligible for it, and even if they continued in the regular forces they would still be eligible to take out a policy of this kind. Why is it that so few are taking advantage of the benefits?

Mr. FORGIE: My experience is that the men do not require it.

The CHAIRMAN: Mr. Parliament.

Mr. PARLIAMENT: I think one reason is that the first enlistments in the regular forces included a very high percentage of world war two veterans who had already had an opportunity to take out insurance. That is one angle. I do not think I need enlarge on it, but I think it does have a strong bearing on nearly all the benefits.

The CHAIRMAN: Shall the subclause carry?

Carried.

Subclause 2, veteran?

Carried.

Subclause 3, discharge from service.

Carried.

Subclause 4. Subpara. (iii) of paragraph (b) of subsection (1) of section 3 of R.C., c. 279.

Carried.

Subclause 5, minister may enter into contract with widow.

Carried.

Subclause 6. The same idem.

Carried.

Subclause 7, time limit.

Carried.

Then we come to clause 8, reinstatement in Civil Employment Act.

Subclause (1), Application of R.S. c. 236.

By Mr. Pearkes:

Q. Were any limitations imposed by Order in Council about July, 1950, regarding re-instatement in the Civil Service of Canada?—A. I understand that there was an Order in Council regarding the reinstatement in the Civil Service, but we do not have it immediately available.

Q. Could you tell us the terms of that Order in Council, or the terms under which veterans of Korea may be reinstated in the civil service?—A. My recollection is that it was pretty extensive, that anyone who wanted to go and serve was entitled to reinstatement.

Q. I think there were some limitations as to the degree of service, or whether it was permanent or temporary service. I have had some correspondence on this subject.—A. I should prefer to get you the Order in Council if I may.

Mr. PEARKES: I think that would help.

The CHAIRMAN: Do you wish to have that stand until we get the answer?

Mr. PEARKES: I do not mind about it standing so long as the original Order in Council is made available to the committee.

The CHAIRMAN: It will be made available.

By Mr. Green:

Q. Have there been any prosecutions taken under this provision?—A. It is administered by the Department of Labour, Mr. Chairman. I do not know of any prosecutions nor of any considerable difficulties that have arisen except one particular case.

Q. Is the group of veterans which is covered by this clause larger than the group covered by the other benefits?—A. It covers, as I mentioned, in the beginning—it is in 81, subclause (e). It applies to every person who re-engages with the regular forces since that time for a period not exceeding three years and those may not have served in any theatre of operations at all, so it is wider in its application than the other provisions of the Act.

Mr. HARKNESS: The same applies in subclause (d). Anybody in the reserve forces. This applies whether he serves in the special force or not so long as he was on a call-out during that period of time, so you have a considerable increase in the number of people to whom this applies compared to the other sections? That is correct?—A. That is right.

The CHAIRMAN: Subclause (2), discharge and termination of service.

Carried.

Now, we come to clause 9, Veterans Business and Professional Loans Act.

Subclause (1), Application of R.S., c. 278.

Carried.

Subclause (2), Veteran.

Carried.

We now come to Civil Service Act, clause 10.

Subclause 1, Application of R.S., c. 48.

Mr. GREEN: Could we have an explanation as to the extent of coverage in this?

The WITNESS: This makes applicable to the Korean veterans the usual veterans disability and overseas service provisions. It covers the disability and the general preference for those who have served overseas.

The CHAIRMAN: Subclause (1).

Carried.

Subclause (2), the same. Idem.

Mr. HERRIDGE: I understand that the Department of National Defence are recruiting into the forces persons who are immigrants, who are not citizens of Canada. How would they be affected by this subclause (b) of subclause (2)?

Mr. CROLL: Once a man has landed in this country he is domiciled. He is domiciled the minute he lands.

By Mr. Harkness:

Q. What is the purpose of subclause (c) (2)? Is that intended to take in the case of a man who is not considered eligible for pension but whose abilities have still been impaired?—A. No, sir. That is the definition in the Act of when a man shall have the disability preference. He may have a pension for disability, but it is only if it meets the conditions set forth in that clause that he gets a special disability preference in the civil service.

Q. That is this may take in pensioners and non-pensioners?—A. No, sir. Only pensioners.

Mr. MACDOUGALL: Disability pensioners?

The WITNESS: Yes.

The CHAIRMAN: I think probably Mr. Herridge may not have got the complete answer to his question. The section reads: "was domiciled in Canada

or was a Canadian citizen at the commencement of his service in or on the strength of the special force." In other words, at the time of the commencement of service he must be domiciled in Canada or a Canadian citizen.

Mr. HERRIDGE: I have a recollection of some other legislation where there is a certain period of time required to prove domicile in Canada.

Mr. CROLL: Domicile under the law is a matter of intention, and when a man lands in this country this is his country of domicile once he is admitted by the immigration department.

Mr. HERRIDGE: Would that apply under the divorce law?

Mr. CROLL: Yes.

Mr. GOODE: As a point of information, how long would a bona fide immigrant have to be in the Canadian forces before he was considered a Canadian citizen?

The CHAIRMAN: The requirement is either a Canadian citizen or one domiciled in Canada.

Mr. CROLL: I think what Mr. Goode is asking is: does he have to wait the normal five-year period? I think there is a provision F-10 under which the minister can waive the five-year period in the case of a man who has served in the forces.

Mr. GOODE: How long is usually considered appropriate in the case of a man belonging to the Canadian forces before he becomes a Canadian citizen? Is there any statute that would cover it? Can a man be in the Canadian forces for two years and yet come out of the Canadian forces and still not be a Canadian citizen?

The WITNESS: Yes.

Mr. GOODE: I am talking about a bona fide immigrant, a man who intends living here.

The CHAIRMAN: He can either get the benefit as a Canadian citizen or as one domiciled in Canada at the time of his entering the forces. In other words, if a person who is not a Canadian citizen has come to Canada with the intention of making Canada his home, then Canada would be his place of domicile and he would get the benefit even if he never became a Canadian citizen.

Mr. BENNETT: There were many Americans who served in the Canadian forces.

Mr. GOODE: If a man comes into Canada from Germany under the immigration Act and seven days after his arrival in Canada joins the forces, how long does he have to stay in the forces before he becomes a Canadian citizen?

The WITNESS: There is no legislation on that.

The CHAIRMAN: My own thought is that there is no such legislation in that respect. He would have to follow the usual procedure to become a Canadian citizen.

Mr. ENFIELD: I can confirm that because I have a problem on that, and that is the case. Merely because the person has served in the forces does not give him any special status as a citizen. You have to follow the Canadian Citizenship Act.

Mr. STICK: If domicile is all that is required why have the clause about Canadian Citizenship?

The CHAIRMAN: A person might be living abroad and join the Canadian forces—for example, a person might be a Canadian living in the United States and join the forces, and it would give him the rights of he were a Canadian citizen even though at the time of joining he was not domiciled in Canada. It is to take care of both cases.

Carried.

Clause 11, "Public Service Superannuation Act":

Subclause (1), "Application of 1952-53, c. 47".

Carried.

Subclause (2), "Coming into force".

Carried.

Clause 12, "Unemployment Insurance Act": subclause (1) Application of Part V of R.S., c. 273.

By Mr. Gillis:

Q. Mr. Chairman, I suppose I have to repeat what I said to the deputy minister. I asked him what machinery, under this Unemployment Insurance Act, is provided by the Department of Defence, the Department of Labour and the Department of Veterans Affairs with respect to a man who comes out of the service and goes back to his own community, who makes application, because there is no work for him, for unemployment insurance—he has to wait sometimes for months before his credits are relayed back through the Department of Labour to his local office. I suggested several times that the Department of Veterans Affairs should take a look at this with the Department of National Defence and the Department of Labour to try to get some machinery whereby that could be speeded up. It also applies to the superannuation which is paid by a man in the service for two or three years. When he comes out it is paid back to him, but he goes months waiting for it and nobody can explain why that long delay should take place. The Minister of National Defence in the House once said that he himself could not understand the reason for the delay.

The other thing I wish to find out about this Unemployment Insurance Act is: there are some veterans coming out of the service who are told in the Unemployment Insurance offices that they are not entitled to unemployment insurance at all because they enlisted prior to July, 1950, and they are dealt out for unemployment insurance benefits. Apparently they were in the service before the Act was amended to include them and the Act made a cut-off date as of July, 1950. I would like the deputy minister to tell me what machinery is provided to speed up an application under the Unemployment Insurance Act and under the Superannuation Act, and what is the picture with respect to the man who enlisted before July, 1950?

MR. PARLIAMENT: In the early days there were delays, but I believe you will find on checking that those delays have been cut down. Every shortcut is taken between the Unemployment Insurance office and the Department of National Defence. We are merely the paying agency. The question of superannuation is one, of course, for the Department of National Defence.

With respect to your third question, the Act as written now does not provide for any members of the force who enlisted prior to July, 1950. When they come out and take their discharge, there are no unemployment insurance benefits available to them.

MR. GILLIS: That appears to be pretty rank discrimination.

THE WITNESS: Mr. Chairman, the way this was built up is that the 5th of July, 1950 was the date on which the special force was formed, and we considered it desirable to give them the benefits under the Unemployment Insurance Act as set forth here. It was also represented that if you gave them that protection in order to assist recruiting, so also should you give benefits of the protection to those who enlisted on regular force engagements and also protect them in regard to reinstatement in civil employment. But that was subsequent to the 5th of July, 1950.

Concerning those who were enlisted in the regular force before this and while the emergency was on, I think the feeling was that they had enlisted on a regular engagement and they knew the terms and there was no obligation to apply these additional benefits to them. And furthermore, as I mentioned in another connection, it was desired to keep them in the service at that time, but at present this will apply practically without exception to those in the regular forces in the army because it is over three years since the 5th of July, 1950, and the engagements are all for a three year period—

Mr. GILLIS: I think the reasoning is all wrong. It is pretty hard for a man who has been in the army for five or six years and who has served in Korea and comes back to understand why he is not entitled to unemployment insurance while men who went in two or three years after him are receiving it. I think it is an oversight. I have had a few cases of it and I could not understand it. I am reasonably sure that the great majority of men who went in prior to 1950 do not understand it either. I would suggest before this committee rises it should at least make some recommendation concerning it. There are a lot of boys coming out of the service today who are discovering they are not entitled to unemployment insurance and I believe we should make some recommendation concerning that.

The CHAIRMAN: I see in the bill, Mr. Gillis, it provides for the man who has been discharged on medical grounds for disability relating to his service in the theatre of operation. In other words, as I understand the bill, if a person was a member of the regular forces and served in the theatre of operations on the strength of the special force, he gets benefits under this Act if he is discharged for a disability relating to his service but, as I understand it, if his period of engagement comes to an end in the ordinary way then he gets the same treatment as any other member of the regular forces because, as I understand it, when he joined up it was contemplated he would serve a set period of time and he gets the benefit of it only if he is discharged ahead of time due to a disability incurred during or resulting from service.

Mr. GILLIS: The ones I am talking about had no disability and they found they are in a class by themselves. I do not think special classes should be set up.

The CHAIRMAN: If you extend it to those members of the regular forces who served the same as any other member of the regular forces and who served their full period of time and then took their discharge; then anyone else who served in the regular forces, say in Germany, would feel he was entitled, too.

Mr. GREEN: But does the man who is in a regular force derive none of the benefits by reason of having served?

The CHAIRMAN: That brings up the general question again. General Burns, what benefit does a member of the regular force get by virtue of having served in the special force in Korea over and above what he would get if he had served in Germany?

Mr. Green desires to clear that up. Are there any benefits received by virtue of having served in the special force which he would not get otherwise?

The WITNESS: If some condition develops which he thinks was attributable to or incurred during service he has the privilege of trying to get a pension and he is entitled to training and reestablishment credit and gratuity and benefits under the Veterans' Land Act.

By Mr. Green:

Q. If you grant that he is entitled to those benefits why should he not get the benefit of the unemployment insurance clause? I would like an answer to the question.—A. It would be rather difficult to draw up the terms under

which he should be entitled to it. The class you wish to have entitled to the benefit of the unemployment insurance clause are those who were discharged between the 5th of July, 1950 and the 5th of July 1953 while the operations were still going on and who took their discharge in the regular way, is that what you mean? Do you mean they should be entitled to receive unemployment insurance benefits?

Q. I do not understand why you deprive these particular veterans of unemployment insurance benefits when the department already admits they are entitled to all the other benefits which flow from war service in Korea?—A. These other benefits were given subsequent to the termination of operations, at least the training and the Land Act benefit.

Mr. GILLIS: The veteran who enlisted after July, 1950 is entitled to the benefit, but veterans who enlisted in 1948 or 1949 and served in Korea are cut off by the regulations because they enlisted prior to 1950, and are not entitled to unemployment insurance benefits. That is pretty difficult to understand. However, the men who enlisted one, two or three years later are entitled to the insurance.

Mr. PHILPOTT: How many would be affected?

Mr. GILLIS: I could not say.

The CHAIRMAN: We are going to have the bill stand and before we report it the steering committee thought we should hear from the council of veterans before finally reporting it so that it would do no harm to let this particular subclause stand until we hear further evidence in regard to it.

Mr. MACDOUGALL: That is clause 12, page 7?

The CHAIRMAN: Yes, subclause 2, "Veterans."

Mr. PEARKES: Would it not be better if we let the whole clause stand?

Mr. CROLL: We could pass it subject to letting subclause 2 stand.

The CHAIRMAN: Subclause 3. "Period of service"; that is not involved.

Mr. CROLL: That is carried.

The CHAIRMAN: Carried.

Subclause 4 "application of section 103 of revised statutes, chapter 273". Carried.

Clause 13, "existing rights preserved".

13. Nothing in this Act shall be held to prejudice any right, benefit or privilege that any person had, under any of the enactments to which this Act applies, prior to the coming into force of this Act.

Mr. GREEN: Could the deputy minister tell us what rights, benefits or privileges will be taken away by it?

The CHAIRMAN: I think perhaps Mr. Gunn might deal with it. I understand that it is a saving clause, to make sure nothing is taken away.

Mr. GUNN: I think the purpose of this clause is to make certain that veterans who have unused benefits to which they are eligible as a result of service in world war II shall not be prejudiced in any way by anything contained in this Act, and that any rights accrued to them as a result of service in world war II are preserved intact.

The CHAIRMAN: Carried.

Clause 14, "repeal"

Carried.

Now then, gentlemen, the bill has been carried except for clause 12, subclause 2. As already stated the intention was actually not to report it until we have heard from the Council of Canadian Veterans who will appear before us on Thursday. I think we have done a very good job already this morning.

Mr. GOODE: I would like to ask the deputy minister one question which perhaps I should have asked him under the "Rehabilitation Act". There has been some correspondence between my office and the department. I have two cases, of two men who served in the special force and who are now living with their families in England. These men applied under their benefits to purchase certain goods in my riding. The goods were purchased, but the stores cannot get the money because the gentlemen involved have moved to England and their present addresses are unknown. How should those small stores go about collecting that money?

Mr. MACDOUGALL: With a hope and a prayer.

The WITNESS: I cannot make a statement, I am afraid, off-hand, without looking into the circumstances of the case.

Mr. GOODE: Suppose I write a letter to you setting forth the particulars; would you be good enough to look into it and advise me.

The WITNESS: I certainly will.

The CHAIRMAN: If the minister is ready to make a statement in regard to bill 82, then we will take it up tomorrow; and if not, we will take up bill 459 "an Act to amend the Veteran's Land Act". At that time the director will make a statement before we take up any questions or deal with the bill in detail.

We are adjourned now until tomorrow morning at 11.00 o'clock.

The Committee adjourned.

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Canada, Veterans' Affairs, Special
Committee, 507 175154

HOUSE OF COMMONS

First Session—Twenty-second Parliament

1953-54

SPECIAL COMMITTEE

ON

VETERANS' AFFAIRS

Chairman: W. A. TUCKER, Esq.

MINUTES OF PROCEEDINGS AND EVIDENCE

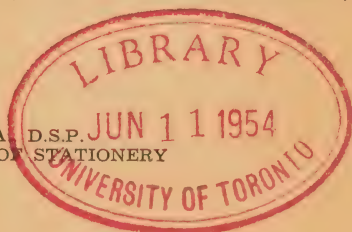
No. 4

TUESDAY, MAY 25, 1954

WITNESSES

Mr. T. J. Rutherford, Director, Veterans' Land Act, with Mr. Arthur McCracken, Senior Administrative Officer, and Mr. H. C. Griffith, Superintendent, Construction Division.

EDMOND CLOUTIER, C.M.G., O.A.D.S.P.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1954.



MINUTES OF PROCEEDINGS

House of Commons, Room 277,
TUESDAY, May 25, 1954.

The Special Committee on Veterans Affairs met at 11.00 o'clock a.m. The Chairman, Mr. Walter A. Tucker, presided.

Members present: Messrs. Balcom, Bennett (*Grey North*), Cardin, Cavers, Croll, Dickey, Dinsdale, Enfield, Forgie, Gauthier (*Portneuf*), Gillis, Goode, Green, Hanna, Harkness, Henderson, Herridge, Jones, MacDougall, Pearkes, Philpott, Quelch, Stick, Thomas, Tucker, and Weselak.

In attendance: Mr. E. L. M. Burns, Deputy Minister, and the following other officials of the Department of Veterans Affairs: Mr. G. H. Parliament, Director General of Veterans' Welfare Services; Mr. W. Gordon Gunn, Q.C., Director of Legal Services; Mr. O. C. Elliott, Director of Training, War Service Grants Act; Mr. E. J. Rider, Research Adviser. Also, Mr. T. J. Rutherford, Director of Veterans' Land Act, with Mr. A. D. McCracken, Senior Administrative Officer; Mr. H. C. Griffith, Superintendent, Construction Division; Mr. H. R. Holmes, Superintendent, Securities Division; Mr. W. Strojich, Superintendent, Property Division; Mr. W. G. Wurtele, Chief Treasury Officer, Veterans' Land Act. Also, Mr. T. D. Anderson, General Secretary, and Mr. D. M. Thompson, Chief Welfare Officer of the Canadian Legion, B.E.S.L.

Mr. T. J. Rutherford, Director, Veterans' Land Act, was called.

The witness read a lengthy brief and filed a number of tables appended thereto, all of which constituted a review of the administration of the Veterans' Land Act since 1945 and an outline of the changes to the said Act contemplated by the terms of Bill 459, An Act to amend the Veterans' Land Act.

On motion of Mr. Croll, it was ordered that the various tables, appended to the brief, be printed in the record.

Mr. Rutherford was then examined at length on the subject matters dealt with in the brief and, in his replies on certain specific points, was assisted by Messrs. McCracken and Griffith.

At 1.00 o'clock p.m., the examination of Mr. Rutherford still continuing, the Committee adjourned to meet again at 8.00 o'clock p.m.

EVENING SITTING

At 8.00 o'clock p.m., the committee met. Mr. Walter A. Tucker, Chairman, presided.

Members present: Messrs. Balcom, Bennett (*Grey North*), Cardin, Cavers, Croll, Dinsdale, Enfield, Forgie, Gauthier (*Portneuf*), Goode, Green, Hanna, Harkness, Henderson, Herridge, Jones, MacDougall, Pearkes, Quelch, Stick, Thomas, Tucker, and Weselak.

In attendance: All those named as in attendance at the morning sitting, and in addition, Mr. G. L. Lalonde, Assistant Deputy Minister, Department of Veterans Affairs.

The examination of Mr. Rutherford, in connection with the brief presented at the morning sitting, was resumed and, at the conclusion thereof, the Chairman extended the Committee's thanks to the witness for his splendid and very elaborate presentation. Mr. McCracken, assisting, answered a few questions.

The witnesses were allowed to retire with the understanding that they would be available for further examination as and when the Committee considers, clause by clause, Bill 459, An Act to amend the Veterans' Land Act.

At 9.00 o'clock p.m., the Committee adjourned to meet again at 11.00 o'clock a.m., Thursday, May 27, 1954.

A. CHASSE,
Clerk of the Committee.

EVIDENCE

MAY 25, 1954.

11.00 a.m.

The CHAIRMAN: Order, gentlemen. We have with us this morning Mr. T. J. Rutherford, the director of the Veterans' Land Act, and pursuant to the wish of the committee he has prepared a comprehensive statement in regard to operations under the Veterans' Land Act. He has stated to me that it is much longer than he would have liked, and suggested perhaps he should read the first part of it and put the rest on the record with the tables. I told him that I thought the committee were so interested in this question, and so anxious to have a full report in regard to it that I thought the feeling of the committee would be that they would want him to read the whole of the submission and put the tables on the record. Is that the wish of the committee, or does the committee prefer to have him read the general part of the report which is the first 14 pages?

Mr. CROLL: I think he should read all of it except the tables.

Mr. GREEN: I think it would be helpful if he read the whole report.

The CHAIRMAN: I thought that would be the attitude of the committee and therefore we will ask Mr. Rutherford to present the submission which he has prepared. You may sit or stand as you like, Mr. Rutherford.

Mr. T. J. Rutherford, Director, Veterans' Land Act, called:

The WITNESS: I will stand, thank you.

Mr. Chairman and members of the parliamentary committee:

As several years have elapsed since a parliamentary committee has had under consideration any matters dealing with the administration of the Veterans' Land Act, it was considered that you would wish to have a statement setting out the extent and nature of the settlement work which has been done, together with some estimate of the progress being made by the veteran settlers, as indicated by the number remaining on their properties, the manner in which they are meeting their obligations, and the success they are achieving in their enterprises,

I have brought with me table "A", which is in the form of a map and will give you a general idea of the extent and distribution of settlement. From this you will see that, as of December 31, 1953, 30,281 veterans had been assisted to establish themselves as full-time farmers; 31,809 as small holders; and 928 as commercial fishermen—or a total of 63,018. This total does not include 1,406 Indian veterans settled on reserves who are looked after by the Department of Citizenship and Immigration.

Not all of the 63,018 settled are still with us. Thirty-two hundred and thirty-one (3,231) have repaid their indebtedness in full and taken title. Another twenty-three hundred and fifty-nine (2,359) have arranged the sale of their properties to other veterans who have qualified for settlement under the Act. Most of these veteran to veteran sales have been made by small holders who, because of a change in employment, have had to move to other districts.

Three hundred and thirty-nine (339) have abandoned provincial lands on which they were settled and thirteen hundred and ninety-nine (1,399) have voluntarily handed their land back to the director by giving quit claim deed. While many of these were potential failures whom it was thought well to encourage to seek re-establishment in some other line of endeavour where their chances of success would be better, a large number of these quit claim deeds were given for administrative reasons such as executors in the case of a veteran's death, or by a veteran who had to move some distance away and wished V.L.A. to arrange a sale for him.

Out of the sixty-three thousand (63,000) settled, only one hundred and fourteen (114) have had to be put off their properties for non-payment or other non-compliance with their contract which I think is very significant as it represents less than two (2) out of every thousand (1,000) settled.

Collections

I have also brought with me tables "B" and "C", which show by districts, regions, and fields, the number and the percentage of all accounts in "special arrears" as of April 10, 1954. Out of nearly 60,000 accounts there will always be some in what may be called "casual arrears"; in other words, a few days to a few months in default. While these count up, they present no serious collection problem, except to encourage better payment habits on the part of more often than not well-to-do people. In order to get a true picture, therefore, we adopted the classification of "special arrears" for cases requiring careful attention—that is to say, farmers and commercial fishermen, who pay annually, and whose accounts are \$200 or more in arrears, and small holders who pay monthly and whose accounts are \$100 or more in arrears.

It will be noted from table "B" that there are now no settlers in "special arrears" in the province of Quebec, only seven (7) in the province of British Columbia, and very few in Ontario. What there are, are largely in the spring wheat areas of the three prairie provinces where deliveries have been very slow, and in the potato growing area of New Brunswick where a large part of the crop still remains unmarketed.

In spite of the fact that recent trends in farm prices have been downward, and the total number of settlers under the Act is increasing year by year, the number in "special arrears" has dropped substantially each year since 1950, hitting a low point last October just before the annual payments on farms became due. At that time the total number of V.L.A. accounts in "special arrears", both farms and small holdings, was three hundred and fifteen (315), or just a little over one-half ($\frac{1}{2}$) of one percent (1 per cent). With reasonable marketing conditions and a continuation of the present trend in collections, we should be down close to two hundred (200) at the same time this year. When we take into consideration the prepayments that have been made, collections to date amount to over 112 per cent of all the money due and owing since inception.

Most of the credit for the very small percentage of failures and the excellent state of collections, is attributable to the work being done by our two hundred and sixty-one (261) field supervisors. Each field supervisor resides in his own field, and works closely with his settlers whose circumstances, problems and abilities he is in a much better position to understand and appreciate than could anyone coming in from outside. This arrangement also greatly reduces administrative costs and saves for useful work, much time otherwise spent in travelling.

A settler's field supervisor is generally the same man who made out the original appraisal on the basis of which his property was bought; also the one who superintended the purchase of his livestock and equipment and who assisted him through the early or difficult stages of his enterprise. It is this supervisor,

too, who is held responsible for ensuring the return of the money owing to the public treasury. This latter is very important to the veteran as only by keeping up his payments can he be sure of obtaining title.

Our field supervisors work on the principle that it is rarely, if ever, in a veteran's best interest to allow him to get behind in his payments as this is generally the first step towards failure. They are also taught that their primary responsibility from the day they appraise a settler's property until he is securely established and has a sound economic unit, is to do everything possible to ensure his success. By doing this, they develop in the veteran not only the ability to pay but the will to pay. Each case in turn becomes just another example of "collections without tears", which is our objective for all.

Our field supervisors, though entitled to civil service hours, work the hours of a country doctor and seem to like it. They are reasonably well paid and they find their work terrifically interesting, with the result, I am very pleased to be able to say, that all are doing a good job, and their veteran and public relations would appear to be excellent.

Our field staff are helped and encouraged to keep themselves up to date in the best agricultural and conservation practices in order to be in the best possible position to assist their settlers in improving their soil, planning and constructing new buildings, and making the most advantageous use of their capital in the purchase of livestock and farm equipment.

Special assistance is always available and given to farm settlers who at any time may get into difficulties. The same kind of service is available to small holders although their success or failure is not so entirely dependent on their agricultural enterprise, as is the case with farmers.

That this work is paying very big dividends, is indicated by the small number of rescission cases and the present excellent state of collections, as well as by the outstanding success of so many of our settlers, many of whom are now the leading farmers in their communities.

The average net income from farm operations has been coming down and this condition could continue for some time before the trend is again upwards. The next few years could easily be a real testing time for the small family farm, of which we have so very many. We may lose some settlers in the squeeze but one thing I am determined shall not happen and it is this, that anyone who has had to give up his farm will ever be able to say with any degree of truth, "the director was given authority by parliament under section 6 of the Act to supply instructors and inspectors to assist veterans with information and instruction in farming, and I covenanted in paragraph 6 of my agreement to observe instruction as to cultural practices and management given by the authorized representative of the director. This I would have been only too glad to do but not until it was too late did a field supervisor offer to assist me to reorganize my enterprise on a profitable basis and ensure that I didn't make the fatal mistake of dropping behind in my payments."

In order that the field supervisors may have more time to assist their settlers in a practical way, much of the time previously spent on collections is now being saved through arrangements for payments to be made by voluntary crop share agreements, salary assignments and pension orders. During the last fiscal year we collected about two million dollars (\$2,000,000) in this very easy and convenient way. About two years ago we introduced the use of books of post-dated cheques as a method of collecting monthly payments from small holders. Over nine thousand (9,000) veterans are now making their payments by this convenient method, which will also bring in about two million dollars (\$2,000,000) this year. These arrangements also save a considerable amount in postage as no receipts are sent out which, in turn, reduces administrative work at regional and district offices.

Despite an increasing workload which is, to an extent, cumulative as the number of accounts increase, we have been able to reduce staff by over 40 per cent. In the process of doing this we have been most fortunate, in that we have been able to retain practically all our best people. This and continuous staff training have been important factors in our success.

Another policy which has proved successful has been a comparatively wide delegation of responsibility right down to the field supervisors in the front line. This greatly expedites action, which is so vital in settlement work where time is so often the essence of success. The man on the spot who knows the Act and regulations and is in close touch with all the circumstances of the case is, we find, more likely to be right than are those farther away dealing only with written reports.

The time involved in completing a settlement is of considerable importance to the veteran. Following the appraisal and negotiations for purchase, there are generally matters of title to be settled, and the purchase of livestock and equipment to be made. These all take time and it is important that, as far as possible, decisions be made at local levels; otherwise, the delays could be not only frustrating but costly to the veteran.

Apart from the Act and regulations and administrative instructions designed to coordinate and streamline procedure, we try to get along with as few rules as possible. In this kind of work, rules can be no substitute for sound judgment. We also find they tend to lazy thinking, destroy initiative, and are too convenient for staff to hide behind and blame if anything goes wrong.

V.L.A. has, however, one Golden Rule which applies generally, and it is this: "Could our Minister defend the action I am about to take, as he may have to do, before the parliament and people of Canada, as being within the Act and Regulations, and in the best interest of the veteran insofar as it is fair as between veteran and veteran, and between the veteran and the public?" Such a rule, based on the best democratic principles, can only fail where the individual fails or when he neglects to apply it.

V.L.A. organization is based on field areas of which there are two hundred and sixty-one (261) across the country. These fields vary in number and nature of accounts but, without adjusting the line fences too often, we try to have an equal workload in each. At present they average about two hundred and twenty (220) accounts and considerably over a million dollar investment, with as many as four hundred and forty-five (445) accounts where the majority are concentrated small holdings, and as few as seventy-nine (79) in a widely scattered field in Newfoundland. Each field is in charge of a field supervisor who has his office in his home or in a public building if there happens to be one close to the centre of his field.

The field supervisors were selected from veterans with successful farming experience and, whenever possible, with a degree in agriculture. The majority have now been with us for upwards of seven (7) years and have gained invaluable practical experience through their day-to-day work. They have also been given every possible encouragement and opportunity to improve their knowledge through winter courses, field days, appraisal classes and farm planning exercises, as well as regular visits to agricultural colleges, experimental farms and stations. I think it is fair to say that they are as well qualified and as up to date in the fields of rural appraisal, farm organization and farm management as any large group to be found anywhere. They are the hands and eyes with which we work and it is necessary that they be good. Being on the ground, they are also asked to do considerable property appraisal and investigation work for other departments and branches.

✓ The fields are grouped into regions, of which there are now thirty-five (35), having been reduced by ten (10) during the past few years. Regions are located on a geographical basis and vary considerably in size and workload. They are responsible for the qualification of settlers, for the consideration of appraisals, and recommendations for the purchase of land. The regional supervisor also supervises the work of the field staff within his region.

The regions are grouped into eight (8) Districts: one for British Columbia, in charge of Mr. W. H. Ozard; one for Alberta, which includes the Peace River block of British Columbia and the North West Territories, in charge of Mr. H. Allam; one for Saskatchewan, in charge of Mr. I. L. Holmes; one for Manitoba which includes Northwestern Ontario, in charge of Mr. R. M. Wynn; one for Western Ontario, in charge of Mr. R. W. Pawley; one for Eastern Ontario, in charge of Mr. H. L. Armstrong; one for Quebec, in charge of Mr. M. L. Lafontaine; and one for the three maritime provinces and Newfoundland, in charge of Mr. C. H. Scott. This arrangement gives the Districts, all things considered, as nearly an equal workload as is possible.

The work at head office, and similarly at the district offices, is divided on a functional basis into five divisions as follows:

- (1) Administration and secretarial division
- (2) Supervision and collection division
- (3) Property division
- (4) Construction division
- (5) Securities division

The heads of these divisions at head office are here with me and, with your kind permission, I would suggest that your questions, insofar as they relate to the work of any particular division, can best be answered by the head of that division. Our work has many ramifications, and I do not pretend to be as familiar with the details of the work of each division as those who are dealing with them from day to day.

Mr. Arthur McCracken heads the administration and secretarial division. One of his principal jobs recently has been to liaise with the Department of Justice in the preparation of the bill you now have under consideration, and he is best able to explain the wording of this in detail. His regular duties involve preparation of estimates and allotments, legal and personnel liaison, special correspondence, and matters of organization and interior economy at head office.

Mr. William Strórich is in charge of the property division, which deals with matters relating to the purchase and sale of property, including the application of proceeds, and the subdivision and servicing of property. He also looks after the residue of soldier settlement, which consists almost entirely of some fifteen hundred (1,500) remaining civilian purchasers of reverted soldier settlement properties.

Mr. Henry Griffith is in charge of the construction division, and has been largely responsible for the successful carrying out of our "Build Your Own Home" program. As this program is closely associated with the proposed part II, you may be interested in hearing from him particulars of how this program, which now accounts for 84 per cent of all our home construction, has functioned up to the present.

Mr. Hilton Holmes is in charge of the securities division. This Division looks after all matters having to do with land titles, conveyancing, and insurance and is, in effect, our land titles office.

The supervision and collection division is responsible for collection policy, for the training of field staff, and for supplying them with up-to-date agricultural information in order that they may assist their settlers to work to a sound

plan, invest their money carefully, and avoid costly and perhaps fatal mistakes during the early years of settlement. I am convinced that the success or failure of many of our settlers and of V.L.A. as a land settlement scheme is so dependent upon a constructive and understanding approach to supervision and collection, which are part and parcel of one another, that I have, up until now, kept this Division under my direct supervision and will try to answer any questions you may have with regard to it.

That I have been able to do this in addition to my regular duties, is due to the fact that in the divisional heads, together with Colonel Wurtele, our chief treasury officer and my financial adviser, I have a very capable board of directors on whose counsel and help I can, and do, rely.

V.L.A. is now big business. Without counting our subdivision properties, V.L.A. has a financial interest in, and therefore some direct responsibility for, the success of one (1) out of every thirteen (13) agricultural units in Canada and therefore some responsibility for it. The original cost of all property now held for veterans is well over three hundred million dollars (\$300,000,000), its present day value being in the neighbourhood of five hundred million dollars (\$500,000,000). The present fire insurance coverage alone is three hundred and two million dollars (\$302,000,000).

Our work has wide ramifications which affect the future and welfare of a great many people and the economy of the country as a whole. The Act gives the director wide discretionary powers. This is essential in a business of this nature, but no less important is the authority given for wide delegation of responsibility which is co-ordinated through direct consultation at each level. This can only work well where senior staff, both at head office and in the districts, is uniformly good and work together as a team. In this respect, as director of V.L.A., I consider myself extremely fortunate as I have as good a staff as I could possibly wish for.

With the new legislation in mind, I believe you will be interested in the progress of V.L.A. settlement work, broken down to full-time farms, small holdings, and construction. I will take these in that order—

Full-time farmers

Up until December 31, 1953, 30,281 veterans had been assisted to settle as full-time farmers under the Veterans' Land Act. Of this number, 25,132 purchased land by agreements of sale under section 10; 642 have been given loans on mortgage security under section 15; and 4,507 have been settled on provincial land under section 38. The average size of V.L.A. farms is 198 acres.

The demand for farm settlement continues steady, although retarded for some years by the increasing cost of the land, livestock and equipment necessary to set up an economic farm unit. With more stable prices now prevailing, we may very well see an increase in farm settlement during the years just ahead. However, capital considerably in excess of \$6,000 will be necessary to effect a sound establishment even on the cheaper type of farm.

While frontier settlement on provincial land has not been nearly so popular as was originally anticipated, a very large number of our farm settlers are now engaged in the development of what we believe is a more productive, and even more important, agricultural frontier. Limited capital has forced many settlers, particularly in the older provinces, to take farms which have long been looked upon as rundown and worn out. More often than not these farms are in good communities, have reasonably good buildings, are serviced by good roads, schools and churches and have hydro available.

Most of these farms once produced good crops and have the potential to do so again if given the right treatment. At prevailing prices they are, in my opinion, today's best buy.

What these farms need to put them back into high production, is a new crop of Canadian pioneers with the vision to see their possibilities, and the patience and skill necessary to effect their renovation. Such work is conservation at its best, and it can be made very profitable for those willing to undertake it. With the examples we now have among V.L.A. settlers of how this can be done economically, new frontiers are being opened up right under our feet, where settlers may substitute new techniques for dollars they haven't got, and build for themselves and their children productive family homesteads which are the basis of a permanent and prosperous agriculture.

It is a real pioneering job requiring both courage and skill as, with limited capital, there is little or no room for trial and error but, given proper supervision to ensure that capital is invested in the right things and at the right time, it can be rewarding to the individual, the community, and the nation.

Veterans settled on such farms, and we have many, are being encouraged by our field supervisors to buy lime and fertilizer, where previous owners bought feed and to grow soil improving grasses and clovers in place of the grain and hoe crops which have been responsible for most of the soil depletion. By specializing in grass fed as pasture and as silage self-fed from cheaply constructed bunker silos, it is possible to attain complete mechanization with about half the equipment necessary when a variety of crops are grown and handled in different ways. By adopting simpler, more convenient and less expensive methods of feed storage and livestock housing, building costs, as well as equipment costs and labour requirements, may be almost cut in two.

During the past few years agricultural methods and practices have been erupting with amazing changes and improvements, which only yesterday were being termed "fantastic" and "impossible". Many people are stunned by the results and potentialities of these changes and even more so by their simplicity. "Why", they are asking, "since these are solving so many problems of soil conservation and cheaper production, have they never before been effectively promoted?" The reason would seem to be that most have been looking for the solution of our agricultural problems in the wrong direction, or perhaps it is because for so long we have been taught to believe that we must struggle with Nature in the growing of crops and in the feeding and housing of livestock, rather than that we should work very closely with her. This struggle has been going on for a long time and has been successful only in destroying the structure of much of our soil and in keeping our production costs so high that we have been unable to compete in the world market in many things which we are in a good position to produce cheaply.

These changes, which have developed with almost geometrical progression over the past few years, are today being heralded by the farm press across the continent as being the answer to conservation and cheaper production of livestock and livestock products as well as improving the soil in order to increase yields of necessary cereal, vegetable and fruit crops.

I mention this because I think you should know that V.L.A. has been preparing for this for several years. Our field staff already know most of the answers and are about as well posted on new developments as it is possible for them to be. Among V.L.A. settlers scattered across the country are some of the best examples of what can be accomplished along these lines. These early outposts are most important in developing a program of this kind.

In developing our staff training and supervision program along these newer lines, we have been greatly helped by work being done at the experimental farm here in Ottawa and the experimental stations across the country, and given much assistance by members of their staffs.

We also owe a great deal to Mr. Tom Dickison, manager of the Ottawa Dairy Farm. For a number of years, Mr. Dickison has been an exponent of grass from the standpoint of soil improvement and, when fed as pasture and silage, as a balanced ration for dairy and beef cattle. He also was among the very first to adopt cheaply constructed self-feeding bunker silos and loose housing for his three hundred head dairy herd. This not only enabled him to dispense with thousands of dollars worth of expensive equipment but has greatly reduced his labour and feed costs as well as raised the quantity and quality of the milk produced. Mr. Dickison has been guest speaker at many of our staff conferences, and all the field supervisors from Ontario and Quebec have had the privilege of visiting his farm. His example and the success he has attained have given our staff a great deal of confidence in the soundness of what V.L.A. is trying to do for veteran-farmers. I am sure many of you would be interested in visiting this farm which is quite close by. The best time for such a visit would be during the second or third week of June when silo filling will be in progress.

Next to the Ottawa Dairy Farm, there is perhaps no farm in eastern Canada which is now receiving more publicity or attracting more visitors than the farm of V.L.A. settler Alfred Leatherbarrow, of Elora, Ontario. This practically abandoned 100-acre farm was bought for four thousand dollars (\$4,000) in 1946. Today, through good conservation practices and an all-out grassland program, it is producing all the feed required during the whole year for seventy head of cattle. It is also supplying the protein supplement, by way of grass silage, for one hundred and twenty-five pigs and fourteen hundred laying hens. The grain for the pigs and hens is bought by the carload from western Canada where it can be produced more cheaply. Farmers and business men alike are beating a path to the door of this farmer-veteran to see what he has accomplished.

We still have a considerable number of veterans who are qualified as full-time farmers but who are working out in an endeavour to earn enough to pay the necessary excess over the V.L.A. ceiling in order to establish a farm business. There is also a large percentage of those already settled who, because of lack of capital, are unable to develop their enterprises to the point where they can make the best use of their land and labour. Some of these are seriously restricted by acreage; others, while most anxious to get a soil building program underway, haven't been able to finance the purchase of the lime, fertilizer and grass seed which, in many cases, is all their land needs to double its present production and thereby treble its value in the matter of a few years.

In all such cases, the provisions of part III would be of real assistance and would come like a tactical reserve just at the right time to transform many subsistence farms into sound economic units. In some cases, such a transformation may involve sale of the present property and a second establishment on a better property; in others, the buying of additional land; but in most instances, the change will take place within the veterans' own line fences. Settlers who are in need of an additional loan know by now, as do their field supervisors, exactly what to do with it in order to best exploit the line of endeavour most suitable for their farms.

As the field supervisor will be charged not only with the responsibility of recommending the loan but also with its collection, and as these men are

now both sound appraisers and good farm managers, I see a great deal of good resulting from this part of the bill and little or no danger of loss either to the settler or the public.

Part III provides for additional loans up to a maximum of three thousand dollars (\$3,000) to full-time farmers. These loans may be made either concurrently with settlement or to those already settled, and are payable on a 5 per cent amortized basis over the remaining period of their contract. This additional money may be used to purchase land, erect buildings and effect other improvements designed to increase production and promote conservation.

To be eligible for such a loan a veteran must, by his own efforts or from his own resources, have added value to his property in excess of its cost to the director by contributing to one or more of the purposes for which V.L.A. is authorized to make advances under part III; or have paid an amount to be spent for one of these purposes. Such amount, together with the added value, is to be not less than half the amount advanced by the director. For example, where V.L.A. advances a total of three thousand dollars (\$3,000), the veteran must either have made improvements or additions to the property to the value of fifteen hundred dollars (\$1,500), or must make up the difference in cash to be spent by V.L.A. along with the loan on improvements or additions to the property.

The total amount available to a farmer-veteran in which V.L.A. may share is ten thousand five hundred dollars (\$10,500), or a maximum of ninety-three hundred dollars (\$9,300) for land and twelve hundred dollars (\$1,200) for stock and equipment. This is made up of a down payment by the veteran of nineteen hundred and eighty dollars (\$1,980), and advances by V.L.A. of eight-five hundred and twenty dollars (\$8,520). As twenty-three hundred and twenty dollars (\$2,320) of this represents the conditional grant, only sixty-two hundred dollars (\$6,200) is repayable—thirty-two hundred dollars (\$3,200) with interest at $3\frac{1}{2}$ per cent and three thousand dollars (\$3,000) with interest at 5 per cent, payable over a period of twenty-five years on an amortized basis. Annual payments on maximum advances under part I and part III combined will amount to \$407.07.

I have brought with me table "H", which I have endeavoured to illustrate how the necessarily rather involved formula in sections 64 and 65 of the bill will work out in practice.

Small holdings

As of December 31, 1953, 31,809 veterans had been settled as small holders under the Veterans' Land Act and, in spite of moves due to changes in employment and sales made in order to take advantage of very attractive offers, 27,741 are still in occupancy. Of these, 8,793 are settled on properties of less than one acre; 4,344 on from one to two acres; 9,347 on from two to five acres; 3,663 on from five to twenty-five acres; and 1,594 on twenty-five acres or more. The average small holding has 6.2 acres.

The great majority of small holders are settled on individual properties but about eight thousand (8,000) are on one or other of V.L.A.'s one hundred and eighty-five (185) subdivisions, most of which lie adjacent to the larger centres of population. There were many problems associated with the early development of these subdivisions, but I believe they have fully justified all the effort put into their establishment. One may see today in all but a very few of these subdivisions, well maintained and appropriately landscaped homes, each with its own kitchen garden which supplies a goodly share of the family's table requirements.

While settlers are encouraged and helped by our field staff to improve their properties and develop their subdivision through community effort, full credit for what has taken place must be given to the subdivision associations. Many of these associations were originally formed as grievance groups but for a long time have been devoting all their energies to community enterprises such as tree planting, playgrounds, building of community halls, small holding competitions, community fairs, etc. This work has already resulted in a virtual transformation of many of the earlier established subdivisions into model communities. We are far from satisfied, however, as there is still much to do. Not all are up to a satisfactory standard but most are moving rapidly in that direction.

Unfortunately, some of the subdivisions which are adjacent to the larger and faster growing cities, have been incorporated into metropolitan areas with resultant increases in taxation. This, however, has not been unmixed evil insofar as the property owners are concerned. Values, too, have greatly increased, and most of the small holders who are seriously affected by the tax increases are now in a position to sell their surplus land for sufficient to pay off the entire remaining debt on their homes. Should they decide to do this before the ten-year period expires, they cannot, of course, receive the conditional grant, which is a bonus to encourage agricultural use of land and to make it easier to pay for properties. However, they would again become entitled to receive their re-establishment credit.

If a settler wishes to get out of a high taxation area and still retain his conditional grant, we are prepared to co-operate by permitting him to sell his entire property and re-invest the proceeds in a suitable small holding located in a lower taxation area. The settler may do this without extending the time within which his conditional grant may be earned.

The great majority of small holdings are individual properties as distinguished from subdivisions, and tend to be of larger acreage. You will find them adjacent to practically every town and village in Canada and along commuting highways leading into the cities. These are the true small holdings which, in spite of growing cities, will continue as such and, no doubt, as pilot models for others as the advantages of the small holding way of life become more widely appreciated.

While there is no disputing the fact that many small holders came under the Act primarily with the idea of acquiring a home, the great majority are now using their properties for the purpose which parliament intended they should be used. Approximately 85 per cent of all small holdings now have vegetable gardens, with about 42 per cent producing, in addition to what is required for home use, sufficient to meet their payments. A rather surprising number have developed their part-time farming enterprise to a point where it is now their sole or principal source of income and may now be properly classified as full-time farmers.

The fact that out of the 27,741 presently settled, only forty-four (44) are today as much as \$100 behind in their payments, is, I think you will agree, very indicative of the success and permanent nature of this type of establishment. That is not 44 hundred, gentlemen; it is just 44.

Our estimate of the annual income derived by small holders from their properties, as made from a recent check of a large cross-section, is six and a half million dollars (\$6,500,000). This production is increasing every year and could be greatly expanded in any period of reduced employment.

This experiment in a new way of life for the urban worker—living, as it were, with one foot on the soil and the other in industry—has proved to be a

boon to many families who would otherwise still be paying rent but who now live in an atmosphere of comfort and security where they can bring up their children under conditions which approach the ideal.

I have brought with me table "D", which gives a breakdown of small holdings by districts, by stage of development, and by acreage.

Part III of the Act, while not applicable to small holders already established (they will be eligible for additional loans under Part IV of the National Housing Act), will make available an additional loan of fourteen hundred dollars (\$1,400) at the time of settlement to those being settled in future. This additional loan will bear interest at 5 per cent and will be repayable over the period of the contract, in most cases twenty-five years. To obtain this loan, the veteran must pay, in addition to the 10 per cent payable on the maximum six thousand dollars (\$6,000) expenditure under Part I, an amount equivalent to one-half the additional loan. This will make a maximum of eighty-one hundred dollars (\$8,100) available for expenditure made up as follows: fifty-four hundred dollars (\$5,400) plus fourteen hundred dollars (\$1,400) or a total sixty-eight hundred dollars (\$6,800) advance by V.L.A., with six hundred dollars (\$600) plus seven hundred dollars (\$700) or a total of thirteen hundred dollars (\$1,300) paid by the veteran. The conditional grant will be fourteen hundred dollars (\$1,400), the contract debt fifty-four hundred dollars (\$5,400) and the monthly payment twenty-eight dollars (\$28.00). Under the Act as it stands, the veteran would be required to have twenty-seven hundred dollars (\$2,700) in cash in order to spend eighty-one hundred dollars (\$8,100).

The small holder who takes his own contract to build his home will continue to have the privilege of attending a V.L.A. construction class, and the help of V.L.A. construction supervisors, as well as receiving progressive financing during the period of construction. Of course, it will still be necessary for the veteran to qualify as a small holder and to bring forward a property which meets the acreage and other requirements for small holders under Part 1.

One of the most difficult problems V.L.A. has had to overcome, has been the ever-increasing cost of house construction, which has risen by over 80 per cent since inception of our building program in 1945.

It was early realized that if veterans in the lower income groups and most in need of assistance, were not to be debarred from the benefits of the Act by initial payments they could not meet or by a debt they could not carry, some solution had to be found which would keep initial payment requirements to a minimum and monthly payments to a point where, with rising municipal taxes, they would still be within the veteran's ability to pay.

The solution to this problem was found in the veterans themselves. Almost from the beginning of construction under V.L.A., a few enterprising veterans, who had been able to satisfy our Administration that they had sufficient experience in the construction trades, were given contracts to build their own homes.

As these early attempts were quite successful, we gradually relaxed the experience qualifications as it had become fairly evident to those of us who were watching these contracts closely that practically any responsible veteran, working under the guidance of a good supervisor, could build himself a very satisfactory home. The most important qualifications we found to be: (1) a good employment record, indicating that the veteran was the sort of chap who would stick with a job until it was finished; (2) that he was able to devote an average of twenty hours per week to the work for approximately sixteen months; (3) that he was willing to accept a practical house plan; and (4) that he was prepared to follow the advice of his construction supervisor.

It was decided, therefore, back in 1949 that the only way to beat rising costs and get on with the job, was to encourage the large number of veterans who had qualified, but who couldn't find the money to build, to take their own contracts and build their own houses. We figured that by doing this they could save at least the contractor's profit, which was no small item, and also one thousand dollars (\$1,000) to twelve hundred dollars (\$1,200) if they put in about the same number of work-hours. We also decided to permit where necessary, certain deletions from the contract such as interior doors, kitchen cupboards, hardwood floors, and leaving the upstairs unfinished; this work to be done by the veteran in his own time while living in the house, the material being paid for by the saving he would then be making in rent. This whole scheme has worked out much better than we dared to hope for or expect, and we believe that with six thousand (6,000) finished veteran contractor houses to his credit, Mr. Griffith has cut a pattern that is safe to follow.

To make closer supervision of a larger number of contracts possible without increasing our construction staff, evening courses were arranged wherever there were sufficient prospective builders to make one worthwhile. By thus substituting group instruction during the slack months for part of the individual supervision necessary during the busy season, the workload was better distributed, and one supervisor could look after more veteran-contractors. In fact, some supervisors now handle as many as they were able to do when their duties only involved checking the work being done by regular contractors.

Once started, these winter construction courses became very popular and, in order to give good instruction, attendance had to be limited in many places to veterans who were ready to start building the following year. The courses ran from fifteen to twenty evenings and followed a definite syllabus set by V.L.A. Head Office. This covered such subjects as purchasing material, organization of the site, dealing with the sub-contractors, foundations, framing, finishing, V.L.A. specifications and standards, reading plans, etc. Considerable time was also given to the common mistakes made by beginners which our experience in this field had brought out.

In conducting these courses, we have had wonderful co-operation from the Canadian Legion, provincial departments of education, architects, contractors, building inspectors, and others who either made classroom space available or helped out as additional instructors without remuneration.

About three hundred (300) courses have been held so far in various parts of the country, with attendance varying all the way from six (6) to one hundred (100) or more. They have been run practically without expense to the public except for the supervisors' time, most of which is given after regular hours and for which they receive no extra remuneration. Incidental expenses, where there have been any, have until now been met by contributions from class members.

The success of the "Build Your Own Home" program is dependent on a well-trained supervision staff. Mr. Griffith gives staff training high priority and personally looks after this extremely important part of the work. Staff training is done at construction conferences held annually during the winter in each district, and through on-the-job training for new staff who are paired off with older hands for a few months until they become familiar with good supervision practices.

Since the inception of the "Build Your Own Home" program, over six thousand (6,000) veteran-contractor houses have been successfully completed, with an additional seventeen hundred (1,700) presently under construction. Our experience throughout has been that where the veteran builds his own

home, we get a better type of construction than we were getting before in the average contractor-built house. While more constant supervision is required during construction, I can say, frankly, we have had practically no trouble with veteran-contractors.

Something goes into these houses besides brick and mortar and lumber and nails which ensures sound construction. We also know by now that a "sweat equity" put straight into construction, is a better guarantee of good maintenance and repayment of the loan than is a cash equity paid in advance.

Under Part II in the bill now before you, which provides for building on lots of any suitable size for a one-family dwelling, the veteran keeps his re-establishment credit but receives no conditional grant. He turns over a lot worth at least eight hundred dollars (\$800) or, if worth less, the difference in cash. He selects a plan which we approve as practical for him, and has his loan approved by C.M.H.C. He takes a course or passes a test which must satisfy V.L.A. that he is capable of taking a contract and, if he does so, he is given a contract for the amount of the approved loan or eight thousand dollars (\$8,000), whichever is the lesser. V.L.A. gives the course, supervises construction, makes interest-free progress payments, and looks after legal work. The veteran's lot, or lot and cash, is used, in the first instance, as the security deposit for the proper fulfillment of his contract and when the contract is completed, it represents his down-payment. The monthly payment, on a $5\frac{1}{2}$ per cent amortized basis, is \$48.84 which, with \$180.00 taxes, would necessitate that the veteran have an income of \$3,332.00. However, it should be possible with a cheaper type house and more owner-labour, for veterans with incomes considerably below this to obtain a home under the proposed Part II.

I may say, the loans are very much lower than what is provided for here at the present time. Mr. Griffith could give us an idea of that. We are still building a lot of houses.

There are a goodly number of veteran-built houses adjacent to Ottawa which the committee could inspect, should you so desire. We have a subdivision immediately adjoining the Ottawa Dairy Farm, and it would be possible to visit both at the same time.

I have brought with me table "E", which is a graph showing curve of farm settlement, small holding settlement, and house construction since inception; also table "F", showing the number of new house starts and completions, and the number and percentage built by veteran-contractors; also table "G", which is a copy of an actual form taken from our files showing how the financial arrangements for a veteran-contractor are arrived at. I have also brought table "H", in which seven examples are given to illustrate how the financial arrangements made under the present Bill may be worked out.

I hope, Mr. Chairman, that my associates and I will be able to furnish all the information with regard to our work which you may require. I can assure you we will be most appreciative of your constructive criticism and suggestions which may help us in improving the service given to the veterans.

VLA. DISTRIBUTION OF SETTLEMENT 31 DECEMBER 1953

BRITISH COLUMBIA DIST.

FARMS AGREEMENTS FOR SALE	14,093
FARMS MORTGAGE LOANS	51
FARMS PROVINCIAL LANDS	1,513
TOTAL FARMS	15,657
SMALL HOLDINGS	1,562
COMMERCIAL FISHING	161
TOTAL VETS ESTABLISHED	8,136
CIVILIAN ACCOUNTS VLA	76
RESIDUE SETTLERS ACCT 558	17
RESIDUE CIVILIAN ACCT 558	167
TOTAL OTHER ACCOUNTS	250
ACCOUNTS REPAYED	405
VET TO VET SALES	526
QUIT CLAIM DEEDS GIVEN	98
VACATED PROV. LANDS	13
CONTRACTS RESCINDED	1
TOTAL CONTRACTS TERMINATED	1,111
TOTAL ACTIVE ACCTS 31 DEC 53	7,493
HOUSE CONSTRUCTION	2,309
ALL CONTRACTORS	2,309
VET CONTRACTORS	917
PRESENT % VET CONTRACTORS	39.7

ALBERTA DIST.

FARMS AGREEMENTS FOR SALE	5,302
FARMS MORTGAGE LOANS	143
FARMS PROVINCIAL LANDS	1,831
TOTAL FARMS	7,276
SMALL HOLDINGS	1,940
COMMERCIAL FISHING	17
TOTAL VETS ESTABLISHED	9,353
CIVILIAN ACCOUNTS VLA	146
RESIDUE SETTLERS ACCT 558	70
RESIDUE CIVILIAN ACCT 558	501
TOTAL OTHER ACCOUNTS	719
ACCOUNTS REPAYED	494
VET TO VET SALES	301
QUIT CLAIM DEEDS GIVEN	192
VACATED PROV. LANDS	173
CONTRACTS RESCINDED	3
TOTAL CONTRACTS TERMINATED	1,169
TOTAL ACTIVE ACCTS 31 DEC 53	8,304
HOUSE CONSTRUCTION	2,170
ALL CONTRACTORS	2,170
VET CONTRACTORS	1,576
PRESENT % VET CONTRACTORS	72.6

SASKATCHEWAN DIST.

FARMS AGREEMENTS FOR SALE	6,470
FARMS MORTGAGE LOANS	246
FARMS PROVINCIAL LANDS	1,572
TOTAL FARMS	8,288
SMALL HOLDINGS	619
COMMERCIAL FISHING	7
TOTAL VETS ESTABLISHED	8,914
CIVILIAN ACCOUNTS VLA	50
RESIDUE SETTLERS ACCT 558	136
RESIDUE CIVILIAN ACCT 558	464
TOTAL OTHER ACCOUNTS	650
ACCOUNTS REPAYED	511
VET TO VET SALES	115
QUIT CLAIM DEEDS GIVEN	63
VACATED PROV. LANDS	46
CONTRACTS RESCINDED	7
TOTAL CONTRACTS TERMINATED	576
TOTAL ACTIVE ACCTS 31 DEC 53	8,338
HOUSE CONSTRUCTION	917
ALL CONTRACTORS	917
VET CONTRACTORS	604
PRESENT % VET CONTRACTORS	65.9

MANITOBA DIST.

FARMS AGREEMENTS FOR SALE	3,927
FARMS MORTGAGE LOANS	65
FARMS PROVINCIAL LANDS	425
TOTAL FARMS	4,417
SMALL HOLDINGS	1,826
COMMERCIAL FISHING	41
TOTAL VETS ESTABLISHED	6,230
CIVILIAN ACCOUNTS VLA	68
RESIDUE SETTLERS ACCT 558	32
RESIDUE CIVILIAN ACCT 558	157
TOTAL OTHER ACCOUNTS	257
ACCOUNTS REPAYED	378
VET TO VET SALES	242
QUIT CLAIM DEEDS GIVEN	157
VACATED PROV. LANDS	9
CONTRACTS RESCINDED	13
TOTAL CONTRACTS TERMINATED	739
TOTAL ACTIVE ACCTS 31 DEC 53	5,740
HOUSE CONSTRUCTION	963
ALL CONTRACTORS	963
VET CONTRACTORS	415
PRESENT % VET CONTRACTORS	43.0

PORT ARTHUR R.O.

LAKE SUPERIOR

TABLE "A"

DOMINION TOTALS

FARMS-AGREEMENTS FOR SALE	15,132
FARMS-MORTGAGE LOANS	4,442
FARMS-PROVINCIAL LANDS	4,507
TOTAL FARMS	30,281
SMALL HOLDINGS	31,809
COMMERCIAL FISHING	218
TOTAL VETS. ESTABLISHED	63,018
CIVILIAN PURCHASERS V.L.A.	887
RESIDUE SOLDIER SETTLERS	299
RES. CIVILIAN REGR. 5 SETT.	1,561
TOTAL OTHER ACCOUNTS	2,787
ACCOUNTS REPAYED	3,231
VET TO VET. SALES	2,359
QUIT CLAIM DEEDS GIVEN	1,399
VACATED PROV. LANDS	339
CONTRACTS RESCINDED	114
TOTAL CONTRACTS TERMINATED	7,442
TOTAL ACTIVE ACCTS. 31 DEC/53	58,333
HOUSE CONSTRUCTION	18,345
ALL CONTRACTORS	15,093
VET. CONTRACTORS	2,312
PRESENT % VET. CONTRACTORS	15.33

MARITIME DIST.

FARMS-AGREEMENTS FOR SALE	1,871
FARMS-MORTGAGE LOANS	89
FARMS-PROVINCIAL LANDS	85
TOTAL FARMS	2,045
SMALL HOLDINGS	3,564
COMMERCIAL FISHING	585
TOTAL VETS. ESTABLISHED	6,194
CIVILIAN ACCOUNTS V.L.A.	134
RESIDUE SETTLERS ACCTS 538	5
RESIDUE CIVILIAN ACCTS 538	125
TOTAL OTHER ACCOUNTS	264
ACCOUNTS REPAYED	233
VET TO VET. SALES	187
QUIT CLAIM DEEDS GIVEN	323
VACATED PROV. LANDS	3
CONTRACTS RESCINDED	22
TOTAL CONTRACTS TERMINATED	768
TOTAL ACTIVE ACCTS. 31 DEC/53	5,690
HOUSE CONSTRUCTION	1,644
ALL CONTRACTORS	1,621
VET. CONTRACTORS	771
PRESENT % VET. CONTRACTORS	47.6

QUEBEC DIST.

FARMS-AGREEMENTS FOR SALE	1,214
FARMS-MORTGAGE LOANS	5
FARMS-PROVINCIAL LANDS	333
TOTAL FARMS	1,552
SMALL HOLDINGS	2,791
COMMERCIAL FISHING	81
TOTAL VETS. ESTABLISHED	4,624
CIVILIAN ACCOUNTS V.L.A.	261
RESIDUE SETTLERS ACCTS 538	7
RESIDUE CIVILIAN ACCTS 538	20
TOTAL OTHER ACCOUNTS	288
ACCOUNTS REPAYED	227
VET TO VET. SALES	166
QUIT CLAIM DEEDS GIVEN	328
VACATED PROV. LANDS	66
CONTRACTS RESCINDED	32
TOTAL CONTRACTS TERMINATED	819
TOTAL ACTIVE ACCTS. 31 DEC/53	3,893
HOUSE CONSTRUCTION	1,056
ALL CONTRACTORS	1,523
VET. CONTRACTORS	414
PRESENT % VET. CONTRACTORS	27.2

MARITIME DIST. BY PROVINCES

	N.B.	N.S.	P.E.I.	N.F.L.D.
R.T.F.	861	583	587	14
S.H.	1,554	1,575	306	149
C.F.	212	218	145	10

WESTERN ONT. DIST.

FARMS-AGREEMENTS FOR SALE	2,649
FARMS-MORTGAGE LOANS	11
FARMS-PROVINCIAL LANDS	-
TOTAL FARMS	2,660
SMALL HOLDINGS	6,987
COMMERCIAL FISHING	18
TOTAL VETS. ESTABLISHED	9,665
CIVILIAN ACCOUNTS V.L.A.	36
RESIDUE SETTLERS ACCTS 538	12
RESIDUE CIVILIAN ACCTS 538	50
TOTAL OTHER ACCOUNTS	118
ACCOUNTS REPAYED	593
VET TO VET. SALES	394
QUIT CLAIM DEEDS GIVEN	98
VACATED PROV. LANDS	14
CONTRACTS RESCINDED	1,035
TOTAL CONTRACTS TERMINATED	1,035
TOTAL ACTIVE ACCTS. 31 DEC/53	8,688
HOUSE CONSTRUCTION	3,241
ALL CONTRACTORS	4,971
VET. CONTRACTORS	1,931
PRESENT % VET. CONTRACTORS	38.8

EASTERN ONT. DIST.

FARMS-AGREEMENTS FOR SALE	2,210
FARMS-MORTGAGE LOANS	32
FARMS-PROVINCIAL LANDS	68
TOTAL FARMS	2,310
SMALL HOLDINGS	7,500
COMMERCIAL FISHING	12
TOTAL VETS. ESTABLISHED	9,842
CIVILIAN ACCOUNTS V.L.A.	96
RESIDUE SETTLERS ACCTS 538	20
RESIDUE CIVILIAN ACCTS 538	11
TOTAL OTHER ACCOUNTS	193
ACCOUNTS REPAYED	578
VET TO VET. SALES	366
QUIT CLAIM DEEDS GIVEN	140
VACATED PROV. LANDS	4
CONTRACTS RESCINDED	16
TOTAL CONTRACTS TERMINATED	1,106
TOTAL ACTIVE ACCTS. 31 DEC/53	8,929
HOUSE CONSTRUCTION	3,184
ALL CONTRACTORS	5,445
VET. CONTRACTORS	2,409
PRESENT % VET. CONTRACTORS	44.3

Veterans' Land Act Administration
 SUMMARY OF SETTLEMENT AND ARREARS
 Broken down by District, Region and Field Areas
 as of April 10, 1954

RECAPITULATION
 FARM AND FISHING ACCOUNTS

Paying Annually

No. of Full Time Farmers and Com. Fishermen as of April 1954	27,054
No. of Farmers and Com. Fishermen 200 and over in Arrears April 1954	556
No. of New Farm Settlements past 12 months	1,228
No. Fully Qualified but not Settled—List purged January 1954	3,191
Full Time Farms accounts fully Prepaid	1,559

SMALL HOLDING ACCOUNTS

Paying Monthly

No. of Small Holders as of April 1954 (Repayable accounts only) ..	26,492
No. of Small Holders \$100 or over in Arrears April 1954	44
No. of New Small Holding Settlements past 12 months	3,097
No. Fully Qualified but not Settled—List purged January 1954	8,808
Small Holding Accounts fully Prepaid	372

No. of Accounts by Fields also No. of Special Arrears i.e. Farms \$200 or over—Small Holdings \$100 or over										COMPARATIVE SUMMARY OF SETTLEMENT AND ARREARS APRIL 10/1954						Veterans Still Fully Qualified But Not Settled		Total Accounts Fully Prepaid	
Spec Arrears \$200 and over	No. of Accounts	VLA Civilian Purch.		Small Holdings		Farms and Com. Fish		Total Number all Accounts		DOMINION TOTAL		Farm and Com. Fish	Small Holdings	Farm and Com. Fish	Small Holdings	Farm and Com. Fish	Small Holdings	Farm and Com. Fish	Small Holdings
		Spec Arrears \$200 and over	No. of Accounts	Spec Arrears \$100 and over	No. of Accounts	Spec Arrears \$200 and over	No. of Accounts	Total No. Spec Arrears	Total No. all Accounts	Superintendent	District								
1	169		86	2	5,326	4	1,438	7	7,801	Ozard W. H.	British Columbia	147	840	315	2,350	47	82		
19	534	4	165	1	1,419	179	6,541	203	8,812	Allan H.	Alberta	269	111	364	175	283	27		
25	556	4	56		543	91	7,620	120	9,047	Holmes I. L.	Saskatchewan	298	72	1,319	146	903	11		
7	167	2	66	7	1,439	202	4,026	218	5,776	Wynn R. M.	Manitoba	116	121	571	504	8	1		
1	58	1	48	20	5,924	15	2,239	37	8,799	Pawley R. W.	Western Ontario	117	730	230	1,951	110	90		
3	95	2	101	1	6,354	11	1,991	17	9,039	Armstrong H. L.	Eastern Ontario	120	664	204	2,419	84	86		
	26		270		2,300		1,150		3,436	Lafontaine M. L.	Quebec	62	183	87	701	16	17		
9	123	1	143	13	3,187	54	2,049	77	5,841	Scott C. H.	Maritimes	99	376	101	562	108	58		
65	1,728	14	935	44,26,492		556,27,054		679	59,051		DOMINION TOTAL	1,228	3,097	3,191	8,808	1,559	372		

VETERANS AFFAIRS

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SPECIAL ARREARS

I.E., FARMERS OVER \$200 DUE AND OWING AND SMALL HOLDERS WITH \$100 DUE AND OWING

DISTRICT AND REGIONAL POSITIONS BY PERCENTAGES BASED ON COMPARATIVE SUMMARY APRIL 10, 1954

Districts and Regions	Positions		% Special Arrears to all Accounts	% Special Arrears Farm and Fish Accounts	% Special Arrears Small Holdings	% Special ArRs. to Soldier Settlers, Brit. Family and S.S. Civ. Purs.	% Small Holding Accounts using Post Dated Cheque Plan
	Apr. 1954	Jan. 1954					
QUEBEC							
Montreal.....	1	4	0	0	0	0	39.4
Sherbrooke.....	1	11	0	0	0	0	56.2
Quebec.....	1	6	0	0	0	0	60.9
D.O. Totals.....	1st	1st	0	0	0	0	47.4
BRIT. COLUMBIA							
Victoria.....	2	5	0.06	0	0	4.7	44.1
New West'r.....	1	3	0	0	0	0	28.4
Kelowna.....	6	15	0.18	0.3	0.1	0	50.8
Kamloops.....	8	25	0.31	0.5	0.2	0	34.8
D.O. Totals.....	2nd	3rd	0.08	0.2	0.03	0.5	35.6
EAST. ONTARIO							
Kingston.....	9	12	0.33	1.0	0	0	53.9
Newmarket.....	1	1	0	0	0	0	59.7
Ottawa.....	11	10	0.37	1.1	0	0	65.9
Toronto.....	3	2	0.08	0	0	50.0	48.5
New Liskeard.....	7	7	0.25	0.2	0.1	4.3	52.0
D.O. Totals.....	3rd	2nd	0.2	0.6	0.01	3.1	53.9
WEST. ONTARIO							
London.....	5	9	0.16	0.4	0.07	0	36.3
Guelph.....	13	13	0.6	0.9	0.3	0	41.7
Hamilton.....	12	14	0.4	0.5	0.4	4.7	42.2
Windsor.....	10	8	0.34	0.2	0.3	0	40.3
D.O. Totals.....	4th	4th	0.4	0.6	0.3	1.6	40.0
MARITIMES							
Charlottetown.....	16	31	0.81	1.0	0	5.8	28.1
St. John's, Nfld.....	1	21	0	0	0	0	27.0
Fredericton.....	26	29	3.3	7.0	0.3	11.6	29.1
Moncton.....	4	16	0.15	0.4	0	0	38.5
Kentville.....	21	20	1.5	4.2	0.5	0	26.9
Truro.....	17	18	0.86	0.3	1.0	14.2	42.2
D.O. Totals.....	5th	5th	1.31	2.5	0.4	7.3	32.8
SASKATCHEWAN							
Saskatoon.....	14	22	0.70	0.6	0	3.1	51.5
Prince Albert.....	20	24	1.4	1.4	0	3.3	73.6
Regina.....	19	19	1.21	0.9	0	5.3	79.0
Yorkton.....	24	28	2.3	2.2	0	7.5	49.0
D.O. Totals.....	6th	6th	1.32	1.2	0	4.4	64.6
ALBERTA							
Calgary.....	22	27	1.6	2.1	0.1	6.7	36.7
Red Deer.....	28	33	4.3	5.0	0	4.7	40.4
Edmonton.....	18	23	1.20	1.4	0	1.8	40.9
Peace River.....	23	32	2.0	2.0	0	5.2	69.5
Grande Prairie.....	29	35	4.4	4.6	0	9.3	42.1
D.O. Totals.....	7th	8th	2.3	2.7	0.7	3.5	40.0
MANITOBA							
Winnipeg.....	25	26	2.9	4.5	0.5	3.7	26.9
Dauphin.....	30	34	8.1	8.9	0	4.1	37.7
Brandon.....	27	30	3.4	3.5	0.9	5.5	54.0
Port Arthur.....	15	17	0.76	0.9	0	0	23.7
D.O. Totals.....	8th	7th	3.7	4.9	0.4	4.1	28.9
DOMINION TOTAL.....			1.1	2.0	0.1	3.7	42.3

SPECIAL COMMITTEE

No. of Accounts by Fields also No. of Special Arrears i.e. Farms \$200 or over—Small Holding \$100 or over						COMPARATIVE SUMMARY OF SETTLEMENT AND ARREARS APRIL 10/1954				New Settlements in Past 12 Months		Veterans Still Fully Qualified But Not Settled		Total Accounts Fully Prepared	
SSB and Civilian Purch.	VLA Civilian Purch.	Small Holding		Farms and Com. Fish		Total all Accounts		BRITISH COLUMBIA DISTRICT		Farm and (Com. Fish)	Holdings	Farm and (Com. Fish)	Holdings	Farm and (Com. Fish)	Holdings
		No. of Accounts	Spec Arrears \$200 and over	No. of Accounts	Spec Arrears \$200 and over	No. of Accounts	Spec Arrears \$200 and over	Supervisor	Field or Region						
1	10	5	198	46	1	267	1	Ripley T. A.	Courtenay	2	21	5	65	2	2
	4	2	170	38		244		Lawrance H. W.	Nanaimo	5	28	5	90	1	2
	3	5	206	39		256		Fawcus N. G.	Duncan	2	25	2	79	1	5
	1	4	226	37		283		MacDonell D. L.	Esquimalt	5	38	5	82		
	3	3	252	4		277		Burrell G. E.	Victoria	1	26	2	122		5
	3	3	229	6		255		Porratt J. E.	Royal Oak	2	35	1	109	1	3
1	21	22	1,281	170	1	1,582	1	CHARTERTON G. L.	VICTORIA R. O. TOTAL	17	173	20	547	3	17
	4	1	319	24		359		Colville R.	Brighouse	2	40	2	30	4	5
	1	2	322	1		346		Anderson A. G.	Ebner		33	2	23		3
	2	6	218	46		320		Berry W.	Ladner	8	54	2	28	5	8
	2	1	151	27		215		Rockwell G.	Cloverdale	3	41	4	99		2
	1	1	203	11		248		Gibson W. I.	Surrey	1	33	1	53	1	6
	1	1	181	21		232		Penny A. L.	Whalley		41	2	152		1
	8	3	111	60		191		Hilton R. C.	Langley	3	21	4	28	2	5
	30	3	165	61		268		Pierce E. E. M.	Chilliwack	2	25	5	66	1	1
	6	4	188	81		305		Bazett R. H.	Mission	8	18	4	32		6
	3	4	224	20		260		Holland F. W.	Haney	2	28		38	6	5
	2	1	263	13		319		Keenleyside A.	Coquitlam		43	2	97		6
	2	1	191	5		205		Wiltshire W. E.	Barnet		4	4	234		4
	1	1	184	1		194		Howell A. H. R.	Deer Lake		5	1	254		5
	69	2	166	22		106		Hamilton H. F. E.	Powell River	2	10	3	21	3	2
	1	1	93	3		121		Wiltshire W. E.	N. Vancouver	11	11	1	84		
	58	26	2,882	396		3,689		GRANT R. D.	NEW WEST'R R. O. TOTAL	42	407	35	1,239	22	53

20	3	161	1	91	1	281	Barber H. S. G.	Vernon	6	33	17	42	2	1
10	3	127	1	68	1	211	James F. V.	Bankhead	5	20	16	21	2	2
5	2	61	1	78	1	217	Watman F. C. E.	Westbank	10	9	5	15	1	1
7	5	61	1	79	1	220	McGuire I. B.	Penitton	12	47	14	64	1	1
2	5	92	1	81	1	196	Morgan H. G.	Oliver	13	12	14	13	3	1
2	5	156	1	38	1	226	Cooper R. W.	Nelson	8	27	3	56	1	1
5	3	101	1	102	1	229	Mackie W.	Creston	10	20	14	39	4	2
49	26	759	2	537	3	1,580	BROWN R. W.	KELOWNA R.O. TOTAL	64	168	83	250	12	7
10	8	122	1	92	1	250	Stevenson V.	Salmon Arm	1	31	24	46	2	2
11	1	176	1	88	1	305	Gartick G.	Valleyview	11	15	49	114	4	2
3	1	43	1	79	1	210	Wilson W. W.	Quesnel	10	29	73	115	4	2
17	2	63	1	76	1	185	Redman W. R.	Telkwa	2	17	31	39	1	1
41	12	404	2	335	3	950	HOLMAN D. B.	KAMLOOPS R.O. TOTAL	24	92	177	314	10	5
1	86	2,532	4	1,438	7	7,801	D.O. TOTALS		147	840	315	2,350	47	82

No. of Accounts by Fields also No. of Special Arrears i.e. Farms \$200 or over—Small Holding \$100 or over					COMPARATIVE SUMMARY OF SETTLEMENT AND ARREARS APRIL 10/1954					New Settlers in Past 12 Months		Veterans Still Fully Qualified But Not Settled		Total Accounts Fully Prepaid	
SSB and Civilian Purch.	VLA Civilian Purch.	Small Holding		Farms and Com. Fish		Total all Accounts		Alberta District		Farm and Com. Fish	Small Holdings	Farm and Com. Fish	Small Holdings	Farms and Com. Fish	Small Holdings
		No. of Accounts	\$200 and over	No. of Accounts	\$200 and over	No. of Accounts	\$200 and over								
Spec Arrears	Spec Arrears	Spec Arrears	Spec Arrears	Spec Arrears	Spec Arrears	Spec Arrears	Spec Arrears	Supervisor	Field or Region						
7	7	1	344	67	1	354	76	Martin W.E.	Calgary C.	9	10	9	82	5	6
22	1	1	6	85	1	76	114	Smith R.C.	Calgary W.	2	2	17	1	5	
11	1	1	8	115	1	114	134	Thring K.G.	Didsbury	2	3	11	1	5	
1	1	1	7	106	2	122	122	Worthington L.P.	Calgary N.E.	1	2	13	2	12	
1	1	1	20	98	2	120	120	Allum H.A.	Drumheller	9	9	25	2	17	1
2	1	1	6	3	4	101	161	Larsen W.M.	Brooks	6	5	8	1	1	
1	1	1	12	3	147	161	161	Shouldice D.R.M.	Calgary E.	3	17	1	1	18	
8	1	1	19	13	13	160	160	Buitendyk P.	High River	10	1	34	4	21	
1	2	1	110	13	1	199	199	Cook A.D.	Fort Macleod	7	1	18	3	12	
4	59	15	539	23	1,077	1,717	1,717	Horne J.F.	Lethbridge	17	5	14	18	4	1
								LeBaron D.T.	Lethbridge E.	6	1	35	4	17	
								FINDLATER A.	CALGARY R.O. TOTAL	72	29	201	118	111	8
18	2	2	7	5	5	168	168	Robinson S.O.	Olds	2	2	13	2	5	
14	2	2	2	9	11	163	163	Goulden L.D.	Innisfail	5	5	6	1	8	
1	1	1	71	9	10	233	233	Clarke W.A.	Red Deer W.	9	16	16	5	10	1
10	1	1	26	3	3	171	171	Clarke T.W.	Red Deer E.	4	4	14	7	5	2
14	10	2	10	2	2	201	201	Bond S.R.	Stettler	9	1	31	2	4	
8	8	3	26	13	14	217	217	Patrick H.R.	Lacombe	5	1	15	5	2	
6	6	3	3	12	12	158	158	McComb A.W.	Rimbey	11	1	13	4		
4	85	8	145	53	57	1,311	1,311	MILLER W.L.	RED DEER R.O. TOTAL	45	20	108	26	34	3
1	20	2	9	6	7	180	180	Ahlstrom C.F.	Edmonton E.	4	2			12	
32	3	3	16	2	3	243	243	Beswick C.A.J.	Vegreville	7	11	6	3	8	
27	5	5	2	2	2	161	161	Chalmers R.K.	Vermillion S.	4	3	2		6	
30	5	5	10	4	4	201	201	Butterworth J.H.	Wainwright	13	1	5	15	7	
1	1	1	1	1	1	185	185	O'Brien W.G.	Camrose	4	4		1	8	1
19	9	9	5	4	5	188	188	Wilson C.S.	Wetaskiwin N.	8	4	1	1	8	1

15	12	17	1	141	1	189	Rose L. R.	Wetaskiwin S.	6	3	1	2	1
12	4	9	1	149	1	174	Edgar J.E.	Edmonton W.	4	1	1	9	1
4	1	11	4	151	4	167	Gough A.C.	Evansburg.	10	2	4	4	4
1	8	1	5	156	6	187	Glenn A.	Mayerthorpe	7	1	3	4	4
29	1	3	1	173	1	208	Gray M.E.	Westlock W.	7	1	5	3	3
14	7	8	1	191	1	220	Robinson W.	Atiabasca.	8	1	1	3	3
4	5	4	1	129	1	147	Robinson R.C.	Waskatenau	3	1	1	5	5
4	2	259	7	7	1	283	Ahlstrom R.C.	Edmonton N.	1	13	2	2	7
19	2	247	5	130	5	249	Hertzog R.F.	Edmonton S.	7	4	2	2	5
1	9	6	124	1	1	152	Amos L.	Vermilion N.	5	10	4	4	4
42	9	4	152	1	1	181	Trotter J.H.A.	St. Paul.	1	1	1	5	5
12	7	2	157	1	1	176	Albers M.H.	Bonnyville.	1	1	1	4	4
4	1	2	157	1	1	164	Pym F.G.	Westlock E.	3	1	1	4	4
6	84	633	38	2,551	44	3,655	ROGERS H.G.	EDM R.O. TOTAL.	102	48	35	22	97
2	4	2	1	160	1	164	Haugen C.	Grimshaw.	8	2	1	1	1
2	3	7	11	148	11	164	Harrison A.H.	Peace River.	3	1	1	2	6
1	4	4	3	131	4	154	Therriault T.H.	Falher.	3	2	2	1	2
2	2	11	11	152	1	167	Puffer G.P.	High Prairie.	5	1	1	1	1
2	2	7	1	176	1	191	Elko P.F.	Fairview.	4	1	1	2	6
1	11	31	16	767	17	840	Kirkness R.J.	PEACE RIVER R.O. TOTAL.	23	3	4	3	17
1	9	13	7	146	8	176	GOLDFINCH H.	Beaverlodge.	2	2	3	3	5
5	8	40	13	109	15	190	Holmes E.C.	Gr. Prairie W.	7	2	1	1	7
2	7	17	17	152	20	168	Hall J.E.	Gr. Prairie E.	1	1	1	1	1
1	11	2	7	183	9	207	Spink D.	Spirit River.	4	1	3	1	1
6	2	12	5	163	5	197	Johnson J.A.L.	Dawson Cr.	9	7	7	3	6
2	9	4	12	150	1	159	Chute E.C.	Dawson Cr N.	4	1	2	2	4
1	3	4	150	192	1	192	Paul J.A.	Wanham.	4	1	2	1	1
4	47	71	49	1,095	57	1,289	Hanevich N.	GR. PRE. R.O. TOTAL.	27	11	16	6	24
19	534	1,419	179	6,541	203	8,812	HONNER A.	D.O. TOTALS.	269	111	364	175	283
19	534	1	1	6,541	203	8,812	D.O. TOTALS.		269	111	364	175	283

SPECIAL COMMITTEE

COMPARATIVE SUMMARY OF SETTLEMENT AND ARREARS APRIL 10 1954									
SASKATCHEWAN DISTRICT									
No. of Accounts by Fields also No. of Special Arrears i.e. Farms \$200 or over—Small Holding \$100 or over		VLA Civilian Purch.		Small Holding		Farms and Com. Fish		Total all Accounts	
Spec Arrears \$200 and over	No. of Accounts	Spec Arrears \$200 and over	No. of Accounts	Spec Arrears \$100 and over	No. of Accounts	Spec Arrears \$200 and over	No. of Accounts	Total No. Spec Arrears	Total Number all Accounts
10	8	1	3	1	3	140	163		
13	6	1	15	1	41	131	158		
21	24	1	7	1	1	127	231		
24	11	2	1	2	1	182	212		
4	17	1	8	2	93	151	183		
6	6	2	1	2	1	245	259		
1	22	2	5	1	279	1	319		
	22		6	1	253	1	313		
5	160	11	183	13	2,124	18	2,545		
1	25	1	7	1	164	2	203		
	16	1	3	7	166	8	221		
	18	3	1	3	163	3	217		
13	9	2	73	2	134	2	225		
9	7	3	2	4	198	1	224		
1	29	2	6	2	343	2	376		
3	32	3	9	1	189	9	228		
			1	6	209	1	253		
5	149	1	26	22	1,596	28	1,947		
PRINCE ALBERT R.O. TOTAL									
Supervisor									
Field or Region									
Lloydminster North									
Lloydminster South									
North Battleford									
Cutknife									
Kerrobert									
Plenty									
Kindersley									
Radisson									
Rosetown									
Humboldt									
Watrous									
SASKATOON R.O. TOTAL									
Spiritwood									
Shellbrook									
Weirdale									
Prince Albert									
Kinistino									
Brooksbury									
Aylsham									
Tisdale									
Porcupine Place									
PRINCE ALBERT R.O. TOTAL									
BROWN R.									
TOTAL									

2	7	16	7	216	246	Sinden J. A.	Swift Current.	18	1	60	1	33	...
1	5	144	3	144	176	Aldrich C. E.	Shanavon.	13	1	57	1	18	...
1	4	224	2	224	253	Colton G. E.	Aneroid.	11	1	46	2	40	...
2	40	287	2	287	348	Severson S. C.	Moose Jaw.	8	4	33	2	61	1
2	62	265	2	265	360	Latta F. C.	Regina.	7	6	52	7	50	6
2	17	247	3	247	278	Rouatt G. E.	Indian Head.	9	1	35	6	44	...
2	22	207	5	207	260	Powell J. A.	Whitehead.	4	1	14	5	21	2
2	2	208	2	208	233	McCollum A. D.	Assiniboia.	7	...	45	...	53	...
19	4	230	2	230	259	Powell E. N.	Ogema.	12	...	39	...	26	...
9	31	252	1	252	307	Day J. M.	Stoughton.	15	1	41	3	25	...
15	7	213	5	213	241	Brown R. A.	Carlyle.	9	...	23	4	17	...
9	201	2,493	26	2,493	2,961	THOMSON E. E.	REGINA R. O. TOTAL.	113	16	445	31	388	9
1	7	223	7	223	249	Everitt M. F.	Wadena.	9	...	24	2	17	...
1	3	199	6	199	232	Bayes J. M.	Kelvington.	10	...	28	2	12	...
4	8	195	6	195	225	Fisher C. J. H.	Wynyard.	6	2	39	8	27	...
...	5	177	6	177	191	Sherwood G. G.	Yorkton.	8	...	49	7	13	...
...	3	190	2	190	208	Macdonald A. H.	Kamsack.	14	...	43	2	24	1
...	19	109	1	109	135	Knudston M. K.	Melville.	3	1	16	8	12	...
...	3	160	...	160	173	Dennis J. H.	Bacarras.	6	1	24	1	21	...
...	11	154	2	154	179	Holmes A. H.	Bredenbury.	8	1	32	8	14	...
6	59	1,407	30	1,407	1,594	LARSON L. B.	YORKTON R. O. TOTAL.	64	5	255	38	140	1
25	543	7,620	91	7,620	9,047	D. O. TOTALS.	...	298	72	1,319	146	903	11

[illegible]

SPECIAL COMMITTEE

COMPARATIVE SUMMARY OF SETTLEMENT AND ARREARS APRIL 10/1954									
No. of Accounts by Fields also No. of Special Arrears i.e. Farms \$200 or over—Small Holding \$100 or over									
SSB and Civilian Purch.		VLA Civilian Purch.		Small Holding		Farms and Com. Fish		Total all Accounts	
Spec Arrears \$200 and over	No. of Accounts	Spec Arrears \$200 and over	No. of Accounts	Spec Arrears \$100 and over	No. of Accounts	Spec Arrears \$200 and over	No. of Accounts	Total No. Spec Arrears	Total Number all Accounts
1	148	1	1	1	1	67	1	1	233
3	140	1	1	1	1	81	1	1	254
1	182	2	2	1	1	77	1	1	268
1	180	1	1	1	1	74	1	1	274
1	90	3	3	1	1	78	1	1	181
1	355	1	1	1	1	15	1	1	403
1	169	1	1	1	1	31	1	1	216
8	1,264	10	10	1	1	423	3	3	1,829
1	49	2	2	1	1	110	3	3	165
1	228	1	1	2	2	47	3	3	298
3	358	3	3	1	1	16	3	3	403
3	121	3	3	1	1	98	3	3	238
2	94	2	2	1	1	120	3	3	224
2	66	2	2	1	1	119	3	3	196
2	124	2	2	1	1	66	3	3	202
2	25	2	2	1	1	136	2	2	175
1	74	1	1	1	1	120	1	1	203
5	52	4	4	1	1	139	3	3	199
1	158	3	3	1	1	92	1	1	267
20	1	26	26	5	5	1,121	16	16	2,570
2	201	1	1	2	2	46	2	2	264
1	320	3	3	1	1	49	1	1	342
4	147	1	1	1	1	42	1	1	218
2	241	1	1	1	1	42	1	1	322
1	327	1	1	2	2	1	2	2	348

COMPARATIVE SUMMARY OF
SETTLEMENT AND ARREARS
APRIL 10/1954

WESTERN ONTARIO DISTRICT

New Settlers in Past 12 Months		Veterans Still Fully Qualified But Not Settled		Total Accounts Fully Prepaid	
Farm and Com. Fish	Small Holdings	Farm and Com. Fish	Small Holdings	Farms and Com. Fish	Small Holdings
12	24	11	38	3	3
5	32	3	44	8	4
5	13	8	95	3	7
3	26	3	52	5	5
3	16	5	9	2	1
1	34	5	14	2	2
2	10	5	10	2	2
31	155	35	262	24	24
LONDON R.O. TOTAL.....					
9	7	4	13	2	2
4	4	8	75	1	4
.....	29	6	99	1	2
4	14	5	31	6	7
2	14	7	28	5	1
4	15	10	10	2	1
6	15	11	16	6	2
.....	8	15	11	4	1
13	13	4	23	4	1
5	5	7	8	15	1
9	21	19	49	5	4
57	169	92	363	51	25
GUELPH R.O. TOTAL.....					
.....	21	7	44	3	4
.....	32	1	69	.....	2
3	15	4	86	.....	1
1	44	10	88	2	6
31	115	1	115	.....	.....

Oakville.....
Burlington.....
Dundas.....
Brantford.....
Spring V.....

1	4	150	71	249	Young H. B.	Stoney Creek.	4	33	4	79	9	3
6	6	203	46	277	Creelman J. M.	Fonthill.	1	32	5	55	4	6
1	1	297	47	385	Carlton J. L.	St. Catharines.	2	40	5	96	1	3
1	1	180	56	251	Anderson R. R.	Welland.	11	11	4	77	20	25
1	21	2,066	358	2,656	SHAW C. F.	HAMILTON R.O. TOTAL.	11	259	41	709	20	25
2	2	348	1	362	Crowe J. F.	Roseland.	27	3	3	102	2	2
1	1	297	7	322	Attwood A.	Tecumseh.	34	4	4	194	4	4
1	1	150	81	246	Haufek F.	Kingsville.	1	23	14	77	4	2
2	2	97	99	212	Martyn G. L.	Ridgetown.	9	16	23	63	2	2
1	1	253	63	333	Black A. W.	Chatham.	7	24	11	101	7	4
5	5	158	86	269	Allen G.	Petrolia.	1	23	7	80	4	2
9	9	1,303	337	1,744	BUCKLEY E. N.	WINDSOR R.O. TOTAL.	18	147	62	617	15	16
1	58	5,924	2,239	8,799	D.O. TOTALS		117	730	230	951	110	90

SPECIAL COMMITTEE

COMPARATIVE SUMMARY OF SETTLEMENT AND ARREARS APRIL 10/1954										New Settms. in Past 12 Months		Veterans Still Fully Qualified But Not Settled		Total Accounts Fully Prepaid					
EASTERN ONTARIO DISTRICT										Farm and Com. Fish		Small Holdings		Farms and Com. Fish		Small Holdings			
SSB and Civilian Purch.		VLA Civilian Purch.		Small Holding		Farms and all Accounts		Total Number all Accounts		Field or Region		Farm and Com. Fish		Small Holdings		Farms and Com. Fish		Small Holdings	
Spec Arrears \$200 and over		Spec Arrears \$200 and over		Spec Arrears \$100 and over		Spec Arrears \$200 and over		Spec Arrears \$200 and over		Supervisor		Farm and Com. Fish		Small Holdings		Farms and Com. Fish		Small Holdings	
7		4		120		1		231		Cobourg.....		2		15		13		48	
2		3		81		1		219		Hoard C.W.....		6		18		7		24	
3		1		102		1		213		Wilson R.H.L.....		3		19		24		6	
2		3		126		1		206		Crossman L.....		6		22		8		52	
3		2		205		45		276		Conroy H.C.....		6		29		12		69	
1		3		172		60		247		Latour W.G.....		2		20		5		82	
1		1		17		17		280		Stevens W.H.....		4		29		5		117	
4		1		75		100		187		Wilson A.R.....		3		12		5		14	
1		6		129		94		248		Reid H.M.....		7		21		7		34	
21		2		1,279		5		2,107		Johnston V.R.....		39		185		65		464	
										MacNab A.R.....									
4		3		154		70		250		KINGSTON R.O. TOTAL.....		2		33		4		31	
2		1		130		104		246		Bowmanville.....		11		25		11		60	
3		2		106		95		219		Barrie.....		3		12		9		49	
5		3		159		83		258		Owen W.A.....		4		17		12		52	
2		1		226		36		293		Thomson W.F.....		2		53		6		139	
2		3		87		85		182		Lloyd A.C.....		7		7		12		40	
8		2		160		78		262		Tomkins W.G.....		1		20		4		69	
		2		185		60		253		Uxbridge.....									
26		17		1,207		611		1,963		Huntsville.....		30		167		58		440	
										Orillia.....									
										Tompkins L.G.....									
										NEWMARKET R.O. TOTAL.....									
1		1		88		74		168		Renfrew.....		2		8		9		20	
2		6		60		1		167		Perth.....		4		9		8		13	
3		8		88		78		185		Cornwall.....		2		21		7		33	
10		6		45		1		156		Winchester.....		5		1		3		7	
1		1		15		15		450		Carleton Hgt.....		39		4		64		2	
4		8		145		53		216		Ottawa E.....		3		12		2		30	
21		30		845		5		1,342		OTTAWA R.O. TOTAL.....		16		90		33		167	
										HENRY H.E.....									

SPECIAL COMMITTEE

No. of Accounts by Fields also No. of Special Arrears i.e. Farms \$200 or over—Small Holding \$100 or over					COMPARATIVE SUMMARY OF SETTLEMENT AND ARREARS APRIL 10/1954										New Settlms. in Past 12 Months		Veterans Still Fully Qualified But Not Settled		Total Accounts Fully Prepaid		
SSB and Civilian Purch.	VLA Civilian Purch.	Small Holding		Farms and Com. Fish	Total Accounts	QUEBEC DISTRICT										Farms and Com. Fish	Small Holdings	Farms and Com. Fish	Small Holdings	Farms and Com. Fish	Small Holdings
		Spec Arrears	No. of Accounts			Spec Arrears	No. of Accounts	Spec Arrears	No. of Accounts	Spec Arrears	No. of Accounts	Spec Arrears	No. of Accounts	Spec Arrears	No. of Accounts							Supervisor	Field or Region
		Spec Arrears	No. of Accounts	Spec Arrears	No. of Accounts	Spec Arrears	No. of Accounts	Spec Arrears	No. of Accounts	Spec Arrears	No. of Accounts	Spec Arrears	No. of Accounts	Spec Arrears	No. of Accounts	Spec Arrears	No. of Accounts	Spec Arrears	No. of Accounts		
		20	63		416		296		824		296		416		296		416		296		
		2	17		122		70		225		70		122		225		70		225		
		3	16		85		86		194		86		85		194		86		194		
		7	23		65		79		176		79		65		176		79		176		
		8	7		144		61		229		61		144		229		61		229		
		3	102		1,314		280		1,791		280		1,314		1,791		280		1,791		
		2	1		114		71		117		71		114		117		71		117		
		3	6		157		89		179		89		157		179		89		179		
		1	1		251		8		255		8		251		255		8		255		
		1	14		89		35		143		35		89		143		35		143		
		7	21		83		32		149		32		83		149		32		149		
		15	15		159		34		214		34		159		214		34		214		
		19	81		125		49		197		49		125		197		49		197		
		9	186		166		44		202		44		166		202		44		202		
		102	102		1,314		280		1,791		280		1,314		1,791		280		1,791		
		20	63		416		296		824		296		416		824		296		824		
		2	27		65		94		196		94		65		196		94		196		
		1	8		75		55		118		55		75		118		55		118		
		9	9		44		34		94		34		44		94		34		94		
		9	10		142		21		176		21		142		176		21		176		
		28	28		49		13		37		13		49		37		13		37		
		11	11		3		8		49		8		3		49		8		49		
		15	15		71		76		167		76		71		167		76		167		
		15	15		71		76		167		76		71		167		76		167		
		15	15		71		76		167		76		71		167		76		167		

.....	.....	13	.....	92	.....	95	.....	213	Drapeau C.F.	.....	Gaspe S.	.....	.....	7	6	11	2	.....
.....	.....	5	.....	20	.....	69	.....	106	Grosselin G.H.	.....	Abitibi E.	.....	.....	3	4	8	.....	.....
.....	.....	9	.....	10	.....	70	.....	97	Lord D.	.....	Abitibi W.	.....	.....	3	9	6	.....	.....
.....	3	105	.....	570	.....	574	.....	1,321	BOULANGER R.L.	.....	QUEBEC R.O. TOTAL	.....	22	53	57	164	6	3
.....	26	270	.....	2,300	.....	1,150	.....	3,936	D.O. TOTALS	.....	.....	.....	62	183	87	701	16	17

1	1	3	176	47	12	233	Fulton B. W.	Windsor	4	14	2	27	1
5	5	2	112	66	4	192	Woodman A. E.	Grand Pre	2	8	2	4	1
4	4	4	115	81	4	216	Borden W. G.	Kentville	2	3	1	8	1
2	2	4	134	64		263	Davies C. M.	Bridgetown		23		16	2
1	1	2	172	57	3	237	Johnston G. F.	Yarmouth		12	1	9	4
1	1	4	122	22	1	160	Durno C. A.	Lunenburg		12	4	19	1
10	20	5	881	337	20	1,301	BANKS I. C.	KENT R.O. TOTAL	6	72	10	83	16
1	1	8	144	41	5	200	Groves A. G.	Truro	1	13	2	27	1
2	5	4	90	90		199	MacDonald A. G.	Amherst	2	4		13	2
3	2	1	140	60	2	213	Cameron R. J.	Amigonish	5	12	4	29	4
			147	22		194	McDonald J. J. H.	Sydney E.		27	1	56	
1	5	1	61	43	1	124	McKinnon M. W.	Sydney W.	2	10	2	22	1
1	20	6	552	256	8	930	McNEILL E. L. F.	TRURO R.O. TOTAL	10	66	9	147	7
9	143	13	3,187	2,049	77	5,841	D.O. TOTALS		99	376	101	562	58

COMPARATIVE COLLECTION STATEMENT—FISCAL YEAR 1953-54 INCLUSIVE
ALSO SHOWING COLLECTIONS NOW MADE BY SPECIAL ARRANGEMENTS WITH VETERAN

Block A	Percentage of Total Due during the year including arrears carried forward from previous years which was paid during the year—not including Prepayments made or arrears on Reverted Properties.					
	District	1949-50	1950-51	1951-52	1952-53	1953-54
British Columbia.....		91.4	91.3	94.2	97.3	98.4
Alberta.....		85.1	76.6	74.3	89.4	90.4
Saskatchewan.....		91.9	84.5	88.7	93.8	91.8
Manitoba.....		90.0	84.7	90.0	89.8	85.7
West Ontario.....		93.3	94.5	97.4	98.2	98.3
East Ontario.....		96.0	96.4	97.5	98.4	98.5
Quebec.....		87.8	87.9	91.6	97.3	99.2
Maritimes.....		96.8	95.2	96.6	97.3	95.7
TOTAL.....		91.5	88.8	91.0	95.1	94.9

NOTE:—If prepayments had been included 112% of all money due from inception of the Act until March 31, 1954, has already been collected.

Block B	Number of accounts in "Special Arrears"—Farm and Commercial—Fishing over \$200 and Small Holding over \$100 as at end of each fiscal year.					
	District	1949-50	1950-51	1951-52	1952-53	1953-54
British Columbia.....				144	37	6
Alberta.....				614	281	184
Saskatchewan.....				257	140	95
Manitoba.....				171	137	211
West Ontario.....				49	29	36
East Ontario.....				64	18	14
Quebec.....				143	30	
Maritimes.....				43	50	68
TOTAL.....				1,485	722	614

Block C	Total amounts Collected by arrangements of Pension Orders, other assignments and Crop Share Agreement. (Drop in 53/54 due to crop share in many cases not yet marketed)					
	District	1949-50	1950-51	1951-52	1952-53	1953-54
British Columbia.....		116,849	152,631	181,446	225,465	259,477
Alberta.....		78,351	97,867	113,395	167,052	130,125
Saskatchewan.....		190,028	208,444	552,669	887,893	606,660
Manitoba.....		37,972	50,499	63,000	78,256	91,896
West Ontario.....		79,381	108,529	138,219	179,877	202,898
East Ontario.....		116,574	139,574	192,661	245,393	277,717
Quebec.....		68,089	95,573	118,534	153,812	153,621
Maritimes.....		81,013	107,187	128,071	156,219	185,671
TOTAL.....		768,257	1,070,304	1,487,995	2,073,967	1,908,065

NOTE:—The above, together with the 9,000 accounts paying by Postdated Cheques (See Block D below), now bring in approximately \$4,000,000 annually in automatic collections requiring no receipts unless requested by veteran.

Block D	Number of Small Holding (Veterans) paying by Postdated Cheques at end of each fiscal year.					
	District	1949-50	1950-51	1951-52	1952-53	1953-54
British Columbia.....					345	1,548
Alberta.....					258	414
Saskatchewan.....					150	296
Manitoba.....				Nil	191	339
West Ontario.....					1,469	2,064
East Ontario.....					1,252	2,852
Quebec.....					387	855
Maritimes.....					243	776
TOTAL.....					4,295	9,184

A COMPARISON OF SMALL HOLDING DEVELOPMENT IN EACH OF THE 8 V.L.A. DISTRICTS WITH THE DOMINION AVERAGES

THE PERCENTAGE OF SMALL HOLDING PROPERTIES BY DISTRICTS GRADED AS TO STAGE OF DEVELOPMENT
(For Requirements of each Grade see Explanation below)

	Grade (A)	Grade (B)	Grade (C)	Grade (D)
Number of Small Holders Out of 29,000	2,030	13,630	10,440	2,900
Dominion average.....	7.3	47.0	35.7	10.0
British Columbia.....	6.0	53.6	36.0	4.4
Alberta.....	10.7	62.3	23.0	4.0
Saskatchewan.....	5.0	51.0	35.3	8.7
Manitoba.....	15.0	59.0	24.4	1.6
Western Ontario.....	9.0	57.2	31.1	2.7
Eastern Ontario.....	11.7	51.0	33.2	4.1
Quebec.....	2.0	19.3	49.7	29.0
Maritimes.....	3.7	42.3	41.0	13.0

This table is compiled from development gradings of 11,697 consecutive Small Holding reports completed during the latter part of 1953.

EXPLANATION OF V.L.A. GRADING AS TO PROPERTY DEVELOPMENT

GRADE (A)

The property has the proper balance of landscaping and agricultural development designed to meet the family's needs. The landscaping is simple and practical and includes the necessary compliment of trees, shrubs and flowers; the home garden is adequate for the family's requirements of summer and winter fruits and vegetables, and on the larger properties some livestock may be kept. The additional land bring in an income sufficient to meet V.L.A. payments and taxes.

GRADE (B)

A balanced development with the landscape work progressing along sound lines and 50% completed. Adequate summer vegetables and fruits are grown and an income sufficient to meet V.L.A. payments is being made from the land.

GRADE (C)

The development work may or may not reflect sound accomplishment but progress is being made. Some landscaping has been done, vegetables and fruits are grown and the secondary income is enough to pay taxes or insurance.

GRADE (D)

Little or no development to date.

THE NUMBERS OF SMALL HOLDINGS IN EACH ACREAGE GROUP AS OF MARCH 31, 1954

DISTRICTS	UNDER 1 ACRE	INCLUDING 1 ACRE UP TO 2 ACRES	INCLUDING 2 ACRES UP TO 5 ACRES	INCLUDING 5 ACRES UP TO 25 ACRES	INCLUDING 25 ACRES AND UP
British Columbia.....	597	1,723	2,063	1,225	183
Alberta.....	682	80	352	181	28
Saskatchewan.....	346	30	132	39	11
Manitoba.....	683	166	388	173	53
Western Ontario.....	2,493	764	2,150	710	247
Eastern Ontario.....	2,484	862	2,280	662	402
Quebec.....	954	205	867	167	148
Maritimes.....	554	514	1,115	506	522
TOTALS.....	8,793	4,344	9,347	3,663	1,594

TREND OF VLA SETTLEMENT & HOUSE CONSTRUCTION

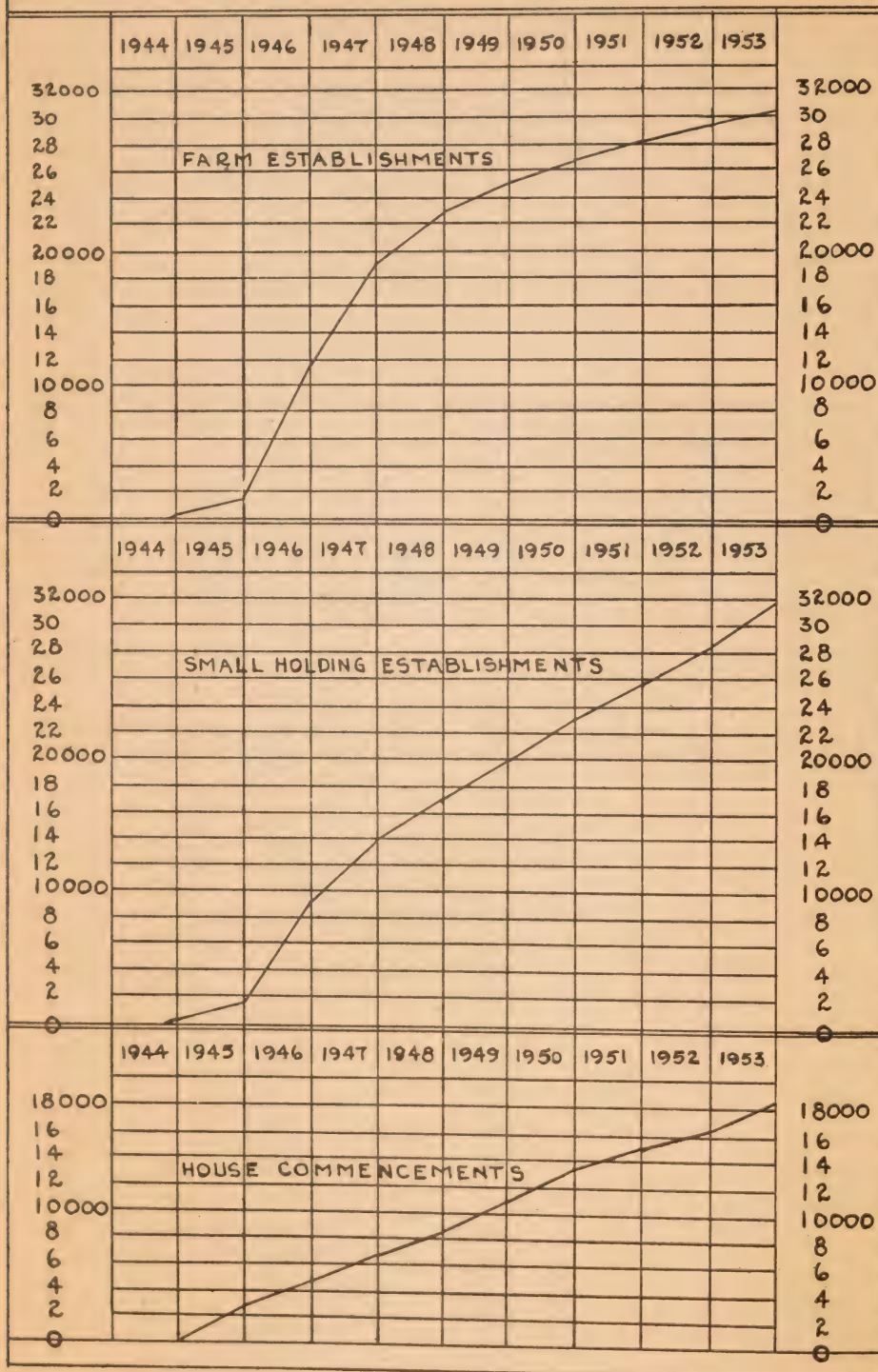


TABLE "F"

V.L.A. NEW HOUSING SHOWING NUMBER STARTED, COMPLETED AND UNDER
CONSTRUCTION ALSO NUMBER AND PERCENTAGE OF VETERANS
ACTING AS THEIR OWN CONTRACTORS

FROM INCEPTION TO DECEMBER 31, 1953

	STARTED		COMPLETED	
	Total Started	Veteran Contractor	Total Completed	Veteran Contractor
Project Houses 1945-46.....	2,673		2,673	
By Contract.....	12,948	8,430	10,921	6,646
By P.I. Voucher.....	2,762	2,762	2,458	2,458
Total.....	18,383	11,192	16,053	9,104

BREAKDOWN FOR YEARS 50/51/52 AND 53

Breakdown Covering Past Four Years	STARTED			COMPLETED			UNDER CONSTRUCTION		
	Total Started	Veteran Contractor	% Veteran Contractor	Total Completed	Veteran Contractor	% Veteran Contractor	Total Under Con.	Veteran Contractor	% Veteran Contractor
FOR YEAR 1950—By Contract.....	1,931	1,484	77	1,669	1,057	63	2,402	1,925	80
By P.I. Voucher.....	796	796	100	871	871	100	434	434	100
Total.....	2,727	2,280	83½	2,540	1,928	76	2,836	2,359	83
FOR YEAR 1951—By Contract.....	1,433	1,183	82½	1,789	1,335	74½	2,046	1,773	86½
By P.I. Voucher.....	326	326	100	359	359	100	401	401	100
Total.....	1,759	1,509	86	2,148	1,694	79	2,447	2,174	88½
FOR YEAR 1952—By Contract.....	1,209	992	82	1,523	1,235	81	1,732	1,530	88
By P.I. Voucher.....	92	92	100	121	121	100	372	372	100
Total.....	1,301	1,084	83	1,644	1,356	82½	2,104	1,902	90
FOR YEAR 1953—By Contract.....	1,759	1,477	84	1,464	1,223	83½	2,027	1,784	88
By P.I. Voucher.....	79	79	100	147	147	100	304	304	100
Total.....	1,838	1,556	84½	1,611	1,370	85	2,331	2,088	89½

TABLE "G"

File 0/9588-B
R.O. New Liskeard
Date June 1953.

VETERANS' LAND ACT, 1942

CALCULATION OF MONEY REQUIRED BY A VETERAN
BUILDING UNDER V.L.A. AS HIS OWN CONTRACTOR

1. Name, JOHN DOE; Occupation, MINER.	
2. Value of property with fully completed house, \$9,220. Built on 2 acre lot; 3 miles from HANMER, ONT. (near Capreol). Plan, VLA-0-6; Size, 24 x 36; Stories, 1; Number of rooms, 5½. Type of construction, block and stucco; Basement, concrete. Heating, Gravity warm air; Sewage, septic tank; Water supply, Well.	
3. ESTIMATED COST FULLY COMPLETED HOUSE, 17,040 cu/ft at 50 cents, \$8,520.	
4. DEDUCTIONS:	
Estimated value of Veterans labour content, 480 hours at \$1.25 per hour.....	\$ 600
Veteran's available working capital.....	0
Materials on hand.....	
Lumber.....	200
Deletions.....	\$
2 Bedrooms unfinished.....	600
Upper Kitchen Cupboards.....	150
Interior Doors and trim.....	300
Painting, except prime.....	200
Storm windows.....	150
Total permissible deletions.....	\$1,400
TOTAL DEDUCTIONS.....	\$2,200
5. Contract price of house.....	6,320
6. Cost of lot (Appraised value \$700).....	0
7. TOTAL AMOUNT PRESENTLY REQUIRED FOR HOUSE AND LOT.....	6,320
8. Available through V.L.A. from Public Funds not including 10% Down Payment.....	5,400
9. Amount of cash veteran must have for house and lot including Down Payment.....	920
10. Plus Veteran's available working capital.....	0
11. Plus Re-Establishment Credits which have to be repaid (Repaid \$676).....	0
12. TOTAL CASH PRESENTLY REQUIRED.....	\$ 920
13. LOAN VALUE of property when contract completed.....	\$7,800
14. AMORTIZED 25 years in monthly payments of.....	\$19.90

Construction Started, May 1953; Occupied, Dec. 1953; Finished, March 1954.

Progress, Aug. 1953; Aug. 1953; Sept. 1953; Sept. 1953; Dec. 1953; Jan. 1954; March 1954.

Payments, \$885; \$1,390; \$1,896; \$885; \$632; \$316; \$316.

EXAMPLES WORKED OUT TO INDICATE FINANCIAL ARRANGEMENTS WHICH MAY BE MADE UNDER THE PROPOSED
PART III AND PART II V.L.A.

PART III	—	AMOUNT REQUIRED	PAID BY V.L.A.	PAID BY VETERAN	CONDITIONAL GRANT	CONTRACT DEBT	INT. RATE	YEARS AND AMOUNT
1 PART III	A Part Time Farmer building his own home at a net cost of \$7,000 on a 5½ acre lot costing \$1,100 with well.	L.A. Ho.	Pt. I Pt. III	Pt. I Pt. III	L.A.	Pt. I Pt. III	3½ 5	Monthly 25 Years
		TOTAL	.....	.....	1,400	.....	.....	28.00
			5,400 1,400	600 700	.....	4,000 1,400	.....	.....
2	A Full Time Farmer purchasing a farm for \$9,300 and receiving \$1,200 worth of Stock and Equipment.	L.A. S. & E.	Pt. I Pt. III	Pt. I Pt. III	L.A. S. & E.	Pt. I Pt. III	3½ 5	Annual 25 Years
		TOTAL	.....	.....	1,120 1,200	.....	.....	407.02
			5,520 3,000	480 1,500	.....	3,200 3,000	.....	.....
3	A Full Time Farmer established five years ago on a farm worth \$6,500 in which V.L.A. invested \$4,800 and \$1,200 S. & E. is granted a loan to build a barn costing \$3,600.	Pt. III	Pt. III	Pt. III	.....	Pt. III	5	Annual 20 Years Part III
			3,000	600	.....	3,000	.....	240.73
		
4	A Full Time Farmer settled one year ago on a farm costing \$4,800 and got S. & E. worth \$1,200—has made no improvements to date but now needs barn costing \$4,200.	Pt. III	Pt. III	Pt. III	.....	Pt. III	5	Annual 24 Years Part III
			2,800	1,400	.....	2,800	.....	202.92
		
5	A Full Time Farmer settled 5 years ago on farm costing \$4,800 with S. & E. worth \$1,200 has put in a water system worth \$900 and requires barn worth \$2,700.	Pt. III	Pt. III	Pt. III	.....	Pt. III	5	Annual 20 Years Part III
			2,400	300	.....	2,400	.....	192.59
		

PART II	I	Veteran wishes to build a house value \$10,000 on 1/5 acre lot worth \$700. CMHC have authorized a loan at \$8,000	Est. Cost of House and Lot Pt. II 10,700	Contract Price 8,100	Down Payment Pt. II 800	Veteran's Labour 8,100	Deletions 900	Insured Mortgage 8,140	Int. 5½	Monthly 25 Years 49.69
2		Veteran wishes to build a house value \$9,000 on 1/5 acre lot worth \$800. CMHC have authorized a loan of \$7,600	Pt. II 9,800	Pt. II 7,600	Pt. II 800	600	800	7,733	5½	Monthly 25 Years 47.20

NOTE: *Example (5)* above is a typical case in which the formula set out in Section 64 and 65 applies. The veteran has earned increment in the property but it is less than one-half the cost of the project for which the loan is given. In such a case, you arrive at the amount to be advanced by the Director and the veteran respectively in the following manner. Treat the value of the veteran's earned increment as part of the project and add this to the money required. Of this the Director advances two-thirds and the veteran one-third less his earned increment.

The CHAIRMAN: For the purposes of the record, I think the committee would want me to translate its unanimous applause into congratulations on the splendid submission you have made, Mr. Rutherford, and on the wonderful report that you have been able to make of the work of the Veterans' Land Act.

Mr. MACDOUGALL: A fine job.

The CHAIRMAN: We will put the tables on the record, of course, I take it. Now we will proceed to questions. You can ask questions of Mr. Rutherford and if he wishes one of his officials whom he has introduced to answer the questions, he can designate the person.

Mr. CROLL: I so move.

Mr. HERRIDGE: I was interested in the question of abandoned farms. I suppose that would largely apply at the present time to the eastern provinces.

The WITNESS: Yes, Mr. Herridge, practically altogether.

By Mr. Quelch:

Q. Mr. Chairman, on page 5 there is a reference to special assistance which is always available and given to farm settlers at any itme when they get into difficulties. I wonder if Mr. Rutherford could explain what is meant by special assistance?—A. It is not financial assistance. Our men are instructed to stay right with the case and give the settler all the help they can and nurse him along through his difficulties and give him advice. That works very well.

Q. There is a statement on page 6 which rather surprises me. You say that about two years ago you introduced the use of books of post-dated cheques as a method of collecting monthly payments from small holders. I thought it was rather a bad idea to encourage people to sign post-dated cheques.—A. I do not know what kind of an idea it is, but it works very well, Mr. Quelch, for collections, and saves a lot of time and money. Insurance and mortgage companies are doing it. I am paying off a mortgage in that way. I find it convenient and I do not get get behind in my payments.

Mr. GILLIS: Is that not illegal?

The WITNESS: No, if the cheque bounces you cannot re-present it.

Mr. BENNETT: It has the status of a promisory note.

By Mr. Quelch:

Q. On the question of appraisals I have heard some criticism. I am not making a general criticism but I am referring to the area I am familiar with, the Acadia area, where you have a fine supervisor, Mr. H. Allam. I have heard that your field supervisors are far too conservative on the appraisals of the land and I know personally that some of the appraisals have been of a conservative nature. I know the land has been valued at a certain figure and has been sold at maybe double the appraisal value. What is the basis of the appraisal? Judging by that area I would almost come to the conclusion it is based on a prewar value.—A. I think I must plead guilty that we are very conservative in our appraisals and the basis is the ability of the land to produce. It is appraised on its earning value.

Q. To produce, but at what price? Are you thinking of present-day prices or are you thinking of prices that may come in the future? I must gather you are looking for a future drop in prices.—A. We take the average price for a period of years and apply that. We do not take the high or low price. There is a certain amount of estimation, but we are teaching our men to appraise on the land's production or its potential production, which is important. We can buy land in Ontario which is not producing very much

right now, but we see the potential there—and I am not only speaking of Ontario but of all the eastern provinces and some of the grey bush soils in the west, too.

Q. On the basis of what happened after the first war, it is probably a good thing to be conservative in your appraisals. We do not want a repetition of what happened after 1919. There is one other point. On the question of a person who pays up his land in full without getting a grant, is he eligible for repayment of the re-establishment credit?—A. Yes.

Mr. HERRIDGE: I was just going to suggest that in order that the questions on any one topic would be asked at the same time, could we start with page one and proceed through the brief.

Some Hon. MEMBERS: No, no, no.

Mr. HERRIDGE: I thought we could perhaps do it by sections.

Mr. PEARKES: I have a question to ask which I do not think I could ask on page one because it applies all the way through this memorandum, in this brief which has been presented I think emphasis has been laid on the very excellent public relations which have existed between the field supervisor and the veteran—

Mr. MACDOUGALL: Hear, hear!

Mr. PEARKES: It stresses that good public relationship from page four, where it is dealing with the question of the field supervisors and the farmers, and then it goes on later in the brief where it emphasizes the same good relations which have existed between the supervisor and the man who has the small holding. The fact that those good relations have existed is demonstrated by the fact that only 44 small holders are in arrears of over \$100 out of a total of 27,000-odd small holders. Now, I think, Mr. Chairman, that is a remarkable performance.

Some Hon. MEMBERS: Hear, Hear!

Mr. PEARKES: It speaks very, very highly for the staff of the Veterans' Land Act. Then we come on to consider the proposals which are made in this new bill. We find that under Part III the opportunity for those good relations to continue is presented and we also notice that the rate of interest will be five per cent under Part III. But when we come to Part II, it seems to me that those excellent relations which have been established are to be scrapped and that all the collections and the dealings with the veterans are to be worked through Central Mortgage and Housing Corporation. Another disadvantage is that the small holder who takes his property under section 2 instead of being charged 5 per cent will be charged 5½ per cent. Now, why is it necessary, where you have established such an excellent organization which over the years has proved to work to the satisfaction both of the government and the veteran and the board, to hand over to Central Mortgage and Housing—an organization which cannot have had the same intimate experience with the veterans as the Veterans' Land Act administration—all the collections for the payment under Part II of this new Act? Why is it necessary for Central Mortgage and Housing Corporation to charge 5½ per cent whereas under the Veterans' Land Act administration the veteran is only charged 5 per cent? That seems to me to be a new departure as far as veterans legislation is concerned. We hand over the duty of collection to another outside organization and yet you have all the facilities here with experienced field supervisors and one might almost suggest that perhaps the field supervisors' work is somewhat decreasing now because there are a lot of veterans under the ten-year terms who will be receiving their entitlement and I wonder why it is necessary to hand over the collection of these debts and the general administration of Part II, once the veteran has moved into his house, to Central Mortgage and Housing Corporation?

Mr. MACDOUGALL: A good point!

The WITNESS: General Pearkes, that is a matter of policy that I cannot answer very well, but I think I should say this: the idea behind it is largely to get the veteran back into normal loaning channels. If we gave a lower rate of interest to veterans being settled today who are building houses which are not on agricultural land, there would be some conflict between the some 80 odd thousand who have already taken re-establishment credit and bought houses under Central Mortgage and Housing Corporation and who are paying normal rates of interest. It would be hardly fair to give privileges now that they did not have earlier when they could not settle under the Veterans' Land Act due to the fact that employment did not permit them to go so far afield.

The CHAIRMAN: They also get the advantage that you pay in the case of the veteran for the legal work which I take it under the usual procedure under Central Mortgage and Housing Corporation would be paid by the borrower.

The WITNESS: Yes, under Central Mortgage and Housing Corporation the veteran would have to pay interest on any advances made during the period of construction. That is not charged to the veteran under this Bill and we also look after his legal expenses up to the deed and the mortgage.

Mr. PEARKES: It is quite possible that there may be some advantages accruing to a veteran which would not accrue to an ordinary individual purchasing or building a house under Central Mortgage and Housing Corporation, but it must be remembered that for some considerable time I think this committee has advocated that the size of a lot which a veteran might get under the Veterans' Land Act should have been very materially reduced so that he could build a house on that smaller lot instead of having to take the larger quantity of land. Now then, a great many veterans have been forced in the past to go to Central Mortgage and Housing in order to get a smaller lot, but now you are correcting that mistake or are changing that policy in accordance with the wish which I think has frequently been expressed in this committee. As I said, you are rectifying that mistake. Why is it necessary when you rectify that mistake to say that the veteran is still going to be at a disadvantage to the other veteran who takes the advantages of this Act under Part III by forcing him to go to Central Mortgage and Housing Corporation? You are now permitting him to have the smaller lot and to build a house on that under the Veterans' Land Act but you say he suddenly has to come under Central Mortgage and Housing Corporation to pay back his debt, and he is still going to be at a disadvantage to a veteran coming under Part III because he has to pay $5\frac{1}{2}$ per cent instead of 5 per cent. If you kept the management in your own hands you could still charge him 5 per cent instead of $5\frac{1}{2}$ per cent.

The WITNESS: Well, sir, I think it is on the principle that the advantages of the Veterans' Land Act include a conditional grant and a $3\frac{1}{2}$ per cent rate of interest which is intended to subsidize a veteran who settles on land and who is going to produce something for himself. I think that is about all I can say.

The CHAIRMAN: In other words, as I understand it, the Veterans' Land Act as originally set up was a land settlement scheme and when you get into the field of assisting veterans to build houses on urban lots it is a housing scheme and so far as the bill goes it provides for giving assistance to the veteran in regard to the housing scheme to the extent indicated, but it is apparently the policy of the administration not to give exactly the same inducement and help to a veteran who is providing urban housing for himself that you provide for a veteran you are trying to set up as a farmer either part-time or full-time. I

take it, Mr. Pearkes, that that is the policy and Mr. Rutherford, I understand, does not think he can answer other than to say that it is a matter of government policy.

Mr. PEARKEs: May I make one observation on your remarks, Mr. Chairman? There was always a small holding section of the Veterans' Land Act from the beginning.

The CHAIRMAN: But you will remember, Mr. Pearkes, at the time it was beginning to apply to smaller and smaller pieces of land it was getting away from having any aspect of settling people on land where they could provide at least part of their income from farming. It was decided then to make this requirement of a minimum of three acres to draw a differentiation between farm settlement and urban housing. That is why the three acres were provided for as I remember it.

Mr. PEARKEs: I agree with all that. We are now correcting that mistake, but for the life of me I cannot see why it necessary—you have such an excellent organization which has been built up here over the years and it has been demonstrated all through this brief how very well Veterans' Land Act administration is working and is working in such harmony with the veteran—that now when you are going to give the opportunity to the veteran to acquire a house on a small lot you suddenly turn around and say that you are not going to put this excellent administration to work, but are going to turn it over to an organization which has not had the experience of working so closely with the veterans as the Veterans' Land Act has. Why is it necessary? Again, I come to the point that in Part III you charge 5 per cent and under Part II, Central Mortgage and Housing will charge 5½ per cent. I cannot see why you do not give the veteran the benefit of this policy. Perhaps Mr. Rutherford cannot reply to policy, I do not know, but I still would like an explanation—perhaps the parliamentary assistant could give one—as to what is the advantage or why is it necessary now to turn this small holding section over to Central Mortgage and Housing Corporation? What is the policy behind it?

Mr. BENNETT: Mr. Chairman, I would like to say first of all that the government is not correcting any mistake it has made as far as the small holder is concerned.

Mr. BALCOM: Hear, Hear.

Mr. BENNETT: Part I stipulates an acreage of 1.6 acres and the idea of the small holder, as far as Part I is concerned, is to settle the veteran on a property where he can supplement his income from the production from the land. That is the basis of it. The Department of Veterans Affairs has said many times they were not in the housing business. The aim of Part I is to settle the small holder as a part-time farmer, or as a full-time farmer. That is Part I and that has not been changed. It would be grossly unfair to change that now. Thousands of veterans have been able to settle under the Act with the requirement of 1.6 or more acres. Other veterans have decided they could not come under the Act because of the acreage requirement. As I say, I think most of the members would agree that we have gone so long under that acreage requirement we should not change it now. With the high cost of living and the high building costs and with the great successes that have been achieved under the "Build Your Own" program of the Veterans' Land Act, it was thought that the Department of Veterans Affairs could do something to help the veteran build his own home where he could not obtain 1.6 acres. Now, we are still not in the building house business in every sense of the word, but the government is trying to help the veteran build his own home and we are going to give him free supervision, blueprints and specifications, free interest on the advances and free legal expenses.

Now, as the chairman has pointed out, many veterans have built under the National Housing Act and they have paid $5\frac{1}{2}$ per cent, and we do not think it would be fair to do other than make the veterans here pay the ordinary rate which other Canadians are paying because you will remember, General Pearkes, these veterans have used their reestablishment credits. There is no additional grant available under Part II, and the veteran may have also used his re-establishment credits provided by the veterans charter. This is an additional help to the veterans even though they were helped under the charter previously. We will help them three ways: supervision, interest-free money and free legal expenses.

As the director has explained the veteran comes along and pays \$800 down and saves anywhere from \$1,000 to \$1,200 on his own labour, saves contractors' profit and construction costs and we think many houses will be built this way by loaning up to \$8,000 under the National Housing Act.

Now, as far as Part II is concerned, and the 5 per cent charge being made there instead of $5\frac{1}{2}$ per cent, the basis is—

Mr. CROLL: It is the other way around.

Mr. PEARKES: Part II is $5\frac{1}{2}$ per cent.

Mr. BENNETT: There is different thinking here altogether. The department found that many veterans had settled successfully on a good farm but needed more money to improve the property—perhaps the veteran wanted to put a bedroom or two on to his house. Well, he could not get a loan under the Farm Improvement Loan Act because the director had the title to his farm. In other words, he was being discriminated against because he was a veteran. He needed more capital. Part III will give him another \$3,000 and he will still pay the ordinary rate of interest which a farmer would pay under the Canadian Farm Loan Board Act.

The CHAIRMAN: The Farm Improvement Loans Act?

Mr. BENNETT: No, the Canadian Farm Loan Board Act.

Mr. PEARKES: Even if it were necessary to collect $5\frac{1}{2}$ per cent instead of 5 per cent, would it not be better for the Veterans' Land Act administration to do that—the supervisor who has started the deal with the veteran—instead of half-way through the transaction turning it over to Central Mortgage and Housing Corporation and telling them to do the collecting? I should think that the veteran who had started in to make the contract with the field supervisor and the Veterans' Land Act would prefer to complete that contract after the occupation of his house when he still has to make payments for some years to go under the Veterans' Land Act administration rather than go to Central Mortgage and Housing Corporation, even though he might have to pay the $5\frac{1}{2}$ per cent?

The CHAIRMAN: I wonder if Mr. Rutherford would explain to the committee just how he envisages this is going to work and where the Central Mortgage and Housing Corporation enters the picture, and in what way. Could you do that, Mr. Rutherford?

The WITNESS: As soon as the veteran obtains his lot and has decided on the type of house he wants to build, he goes to Central Mortgage and Housing Corporation and has the loan approved. They approve at a certain amount. He then comes back to us and is given his contract and when the house is completed—

Mr. HARKNESS: He gets his contract from you?

The WITNESS: Yes, his contract to build, and when the house is completed a deed is given to the veteran who signs a mortgage to Central Mortgage and Housing Corporation at the same time. We prepare and register both documents.

Q. And you have nothing further to do with it from that point?—A. No.

The CHAIRMAN: In other words, you are entering the picture to assist the veteran to build and to meet the requirements of Central Mortgage and Housing Corporation?

The WITNESS: That is right.

The CHAIRMAN: Mr. Dickey?

Mr. PEARKES: I have just one question of the witness on that point. Central Mortgage and Housing is to make the collections then?

The WITNESS: That is right.

Mr. DICKEY: Mr. Chairman, I think it should be said Central Mortgage and Housing Corporation have always done the housing part of veterans' housing. I do not know what the experience has been in other places, but certainly in Halifax they did very extensive housing projects at the Westmount subdivision which worked out excellently. The veterans made contracts with Central Mortgage and Housing Corporation and, as I understand it, this is simply bringing the Veterans' Land Act administration in to be of some additional assistance, and I for one think the principle of keeping the housing side of the business strictly under the one organization is quite proper and quite appropriate.

Mr. CROLL: May I just make this observation while we are speaking about housing? I think the committee has lost sight of a few matters which are rather important. It is time the interest rate is the same for all persons under the new housing Act, the veteran under the present arrangements becomes his own contractor, something which is not permitted to civilians, and in that way he saves at least a thousand dollars. He makes a lower down-payment than the non-veteran has to make and, as Mr. Bennett has already pointed out, he pays no legal fees, and, in addition to that, he has interest-free money while the building advances are required to be made from time to time and he pays no supervision fee. Now, that is a considerable advantage when you add it all up. That is given to the veteran. That is not available to the non-veteran. All he does is pay the same rate of interest. It would have been difficult under the Act to work it out in any other way. I remember in 1945 we sat here and we said, "This is turning the Veterans' Land Act into a housing scheme; it must remain a small holding scheme." That was the general view. What we have here now is a housing scheme, it is a good one and many more veterans should take advantage of it. I do not think there need be a great deal of worry about the collections, a point which seems to be troubling some members of this committee. Central Mortgage and Housing Corporation are not hard by veterans' standards. They are reasonable about these matters. They may not have quite as good a collection record as my friend Tom Rutherford has, which is an amazing record, but there has never been a complaint to this committee or in the House that Central Mortgage and Housing Corporation has been unreasonable with veterans or anyone. You will remember less than three months ago that a question was raised in the House when there was less employment than there is now. The question was asked, what would be done for some of the people who were unable to meet their payments? The government was quick to say that they would not be dispossessed and the matter would be given sympathetic consideration. The important thing we as veterans are interested in is that the veteran should have some advantage over the non-veteran, and between what my friend Mr. Bennett has indicated and what the chairman has added I think it is clear there are real advantages for the veteran.

The CHAIRMAN: Now, Mr. Herridge.

By Mr. Herridge:

Q. I think we all welcome this legislation and we are very pleased to see the government bringing it forward. I support Mr. Pearkes in his contention. I admit the advantages mentioned by Mr. Croll. They are recognized, but I

think it is the spirit of the thing which is important. The Veterans Land Act administration has a record in this country. It is in contact with the veterans. I have a feeling that the veterans will not like having to go and deal with Central Mortgage and Housing Corporation knowing that their comrades are dealing with the Veterans Land Act. Therefore, I prefer to see complete administration come under the Veterans Land Act administration. I do not agree with Mr. Bennett's argument that it would not be fair to certain veterans. There are many veterans who were settled on half an acre. Then all the regulations were changed, and there are quite a number of discrepancies now. Again I would emphasize that the majority of the veterans would prefer to come under the administration of the Veterans Land Act. I presume that this legislation results from the fact that there are thousands of veterans in Canada who are not able to obtain the acreage for a home.

There is a big demand for housing on the part of veterans. In my constituency there are two or three hundred veterans who would like to come under the Small Holdings Section of the Act if they could get the required acreage. I wonder if the director could give the committee an estimate as to the number of veterans who might take advantage of this legislation as the result of not being able to obtain the required acreage under the Small Holdings Section?—A. I could not even guess.

The CHAIRMAN: Mr. Green.

By Mr. Green:

Q. I would like to get it clear just what the situation is at the present time. You have a very large number of veterans with small holdings; a larger number than are actually settled on farms.—A. It is approximately the same.

Q. Is all the collecting in respect of those small holdings being done by your branch?—A. That is right.

Q. You have complete control of all those small holdings?—A. That is correct.

Q. And many of them are in suburban areas around the cities of Canada?—A. Yes, close to one-third, I would say, are around the cities.

Q. And the areas range from $\frac{1}{2}$ acre up. Is that correct?—A. Yes.

Q. And the only way in which Central Mortgage and Housing Corporation comes into this picture is that it has done the construction in certain cases, where there have been settlements put in, adjacent to some of the cities?—A. We have built these houses under contract ourselves. The houses on our property have been built by ourselves. Central Mortgage and Housing Corporation do not build our houses.

Q. Where then did Central Mortgage and Housing Corporation come into this picture with regard to the small holdings?—A. Not at all.

Q. Well, Mr. Dickey mentioned that they did. I would like to know where they come into the picture.

Mr. DICKEY: I said that Central Mortgage and Housing Corporation had done the purely housing part of the program, but not under the Veterans' Land Act at all.

Mr. GREEN: Central Mortgage and Housing Corporation to date have had absolutely no connection with the Veterans' Land Act?

Mr. DICKEY: No, and never have.

By Mr. Green:

Q. But now a departure is proposed?—A. That is not quite correct. We have built between 50 to 75 houses on a joint assistance plan for Central Mortgage, under an order in council.

Q. Under what?—A. I said that we have built between 50 to 75 houses on a joint assistance plan for Central Mortgage and Housing Corporation under an order in council which permitted a joint arrangement much the same as we are doing here and on small lots. That is the only exception.

Q. But you have handled all the management and collections in connection with the small holdings?—A. That is right.

Q. And now the proposal is that the veteran can build a house under this new Part II on a smaller area than half an acre?—A. That is correct.

Q. But in this case he has to be under the management of Central Mortgage and Housing Corporation?—A. No. We let the contract and superintend the building of the house; Central Mortgage and Housing Corporation finance it after the house is completed. We do the interim financing during the construction period, however.

Q. Once the house is completed and the loan arranged, then you go out of the picture?—A. Yes, sir.

Q. And Central Mortgage and Housing Corporation will do all the collecting; and if the veteran gets into arrears, he will have to deal with Central Mortgage and Housing Corporation?—A. Yes, sir.

Q. You have absolutely nothing further to do with it once the loan, or once the contract is completed?—A. That is correct.

Q. And is your branch so set up that it could handle these loans under Part II, if the house should decide that that is the wiser policy to adopt?—A. I might say that we anticipate that most of the construction under Part II will be in and around the larger cities where we do not have a large staff. Each staff member there, looks after up to 400 small holdings, and that is quite a job. We would require more staff in and around the larger cities as that is where most of these houses will be built. In the country they would still have the advantages of the V.L.A.

Q. I beg your pardon?—A. In the smaller places they would still have the advantages of the V.L.A.

Q. Could you arrange to handle these collections?—A. Not without more staff.

Q. I beg your pardon?—A. Central Mortgage and Housing Corporation have collection agencies in those larger centres, while we would require more staff.

Q. You say you could handle it if you had more staff?

Mr. CROLL: And more expense; you would be opposed to that, would you not, Mr. Green?

Mr. GREEN: I have been very much impressed by Mr. Rutherofrd's statements throughout his brief that there is a friendly personal connection between the Veterans' Land Act staff and the veteran, and that of necessity will not be present when he is dealing with Central Mortgage and Housing Corporation.

A person cannot blame Central Mortgage and Housing Corporation for that; it is just in the nature of things and it is impossible for them to have that class of personal, friendly association with the veterans. It does seem to me that a situation of that kind should not lightly be thrown over; and yet that is what is going to happen under this new Part II, where the Central Mortgage and Housing Corporation will take over the whole management of the loans.

Will you have facilities, for example, for advising the veteran, if he should fall into arrears under Part II?—A. Well, there are already probably 200,000 veterans who are paying back loans to Central Mortgage and Housing Corporation. We could not advise them all. We are in no different position to-day.

Q. You said you would be having nothing whatever to do with the veteran once the contract is made.—A. That is right.

The CHAIRMAN: Mr. Cavers.

Mr. CAVERS: In the acquisition of new property under the Veterans Land Act, the title to the property is taken in the name of the director of the Veterans Land Act. I can visualize a situation wherein a farmer-veteran who is overly enthusiastic and improvident might put himself in a position where he would build more buildings than he needs and acquire more equipment than is required with which to farm his holding. Thereby he would build up a great debt which is to his detriment and also to the detriment of the contractor with whom he deals, who would have no opportunity to file a lien or take any security against the land. Does the Veterans Land Act administration have any supervision over these men so that they can counsel them and guide them in order to prevent them from getting into that situation?

The WITNESS: Yes. If we find them doing that very thing, we certainly advise them against it. I know cases have happened where veterans have got over their heads in debt but it was not on our advice. Our advice was quite to the contrary.

By Mr. Enfield:

Q. On the matter of construction under this new small holdings section in Part II, after the house is constructed, will not the V.L.A. be available regarding further construction or questions regarding problems of construction or something that may happen to the house after the house is completed?—A. I do not think we have ever turned down a veteran who was building, or denied him advice. If we have the time, we will give any veteran free advice.

Q. Well then, after Central Mortgage and Housing Corporation starts with the collections, the veteran will still be able to go to V.L.A. regarding matters of construction which may arise?—A. Yes. We do not advertise this but we do a lot of it anyway.

Q. And will that policy continue?—A. Yes, in so far as we have time to do it.

Q. Just to clear up the financial aspects of that new section, Part 23 sets out the details of the maximum amount that the veteran may obtain; \$8,100. You say that the veteran ends up by putting in \$2,700 of his own money while the department lends \$5,400, making a total of \$8,100. Is that \$2,700 in cash, that you contemplate there?

Mr. MCCracken: That is where it is today.

By Mr. Enfield:

Q. It was not clear to me; I thought it was just \$1,300 cash.—A. That is a comparison between what he pays under the new bill and what he would now be required to pay if he were able to put up the cash for the down payment.

Q. So that the total maximum amount he has to find is \$2,700?—A. Do you mean at the present time?

Q. Under the new section?—A. No; under the new scheme it is \$1,300.

Q. You say under the new scheme it is \$1,300; but under the old scheme it was what?—A. It was \$2,700. In order to have the same amount of money to spend on his house he is required now to put down \$2,700, while under the new scheme he would get away with \$1,300.

Q. I see.

The CHAIRMAN: Now Mr. Gillis.

By Mr. Gillis:

Q. I think the place to argue the principle of the bill is on the bill. Mr. Rutherford is not in a position to disagree with government policy. I do not like the change, personally. I like the brief. The brief demonstrates some pretty sound thinking; but I am afraid that what is happening is this: that you are demonstrating that you are getting houses built for the sake of providing homes and with not too much profit. I think perhaps we are making too much progress to suit some of them; when you talk about putting veterans into the hands of Central Mortgage and Housing Corporation the chances are that they are going to finish up in the Bank of Montreal or the Royal Bank, because the banks are going into these aspects of it. It looks to me as if Central Mortgage and Housing Corporation was getting out of it as an organization, judging by the talk in the House on the last housing bill.

And when you talk about Central Mortgage and Housing Corporation you are talking about the insurance companies. And if we are going to swing around to having the veterans make applications through Central Mortgage and Housing Corporation—and, incidentally, if the Royal Bank or the Sun Life Insurance Company have got to give approval—then in my judgment you are taking the business of the veterans out of the hands which built it up.

And too, as I understand it, we are not trying to make money out of the proposition; but you are placing it in the hands of a group who are going to build houses for the sake of making money out of it, and I think that is a bad principle. However, I suppose the place for us to fight it is on the bill and not here. But while I am on my feet I would like to ask the Director if he could give the committee some idea of the number of vacant farms there are in the maritimes?—A. I was down there about three weeks ago, Mr. Gillis, and there are a great many. We are hoping to be able to settle some of these—I could not tell you how many—but there is an increasing number with great possibilities and we are hoping to be able to do something to resettle some of them with veterans. We will need a little more money to put two of them together in some cases. They are, generally speaking, too small for economic units, and they need lime very badly.

Mr. WESELAK: I wonder if Mr. Rutherford could tell us whether the mortgages would be held by Central Mortgage and Housing Corporation or turned over to the banks as is being done under the revision of the National Housing Act.

The WITNESS: I am sorry, I could not hear the question.

Mr. WESELAK: The question again was: could you tell us whether the mortgages would be held by Central Mortgage and Housing Corporation or turned over to the banks or financial institutions as is being done under the revision of the National Housing Act?

The WITNESS: It could be done either way. I think the majority will be held by Central Mortgage and Housing Corporation for the time being, but we do not know.

The CHAIRMAN: Mr. Harkness is next.

Mr. HARKNESS: I think this point raised by General Pearkes is one of great importance. I will not go into the arguments why I think the veterans would be much better off if these were all handled by Brigadier Rutherford's branch.

The CHAIRMAN: I think we can debate that after we have the submission.

By Mr. Harkness:

Q. However, there are one or two questions I would like to ask. When this question was being discussed a short time ago Mr. Croll said there would be more expense if it were to be handled by the Veterans' Land Act administra-

tion rather than Central Mortgage and Housing Corporation. However, I do not see that that would be the case. As a matter of fact, the Veterans' Land Act has an organization set up at the present time. They are making collections and making them extremely satisfactorily, and Mr. Rutherford said that more staff would be required if they were required to make collections under the new scheme to small holders. By the same token more staff would be required for Central Mortgage and Housing Corporation to make the collections. They have collection agencies set up and they have an organization, but the Veterans' Land Act has an organization too, so it would be simply a matter of adding staff to one or the other. I would ask Brigadier Rutherford if that is the situation and if in fact there would be more expense if the collections were handled by the Veterans' Land Act?—A. I think there would be because we are set up in rural areas and Central Mortgage and Housing Corporation in urban areas, and we could not undertake more in the urban areas. Central Mortgage and Housing Corporation could probably operate with their present staff while we would have to have more people.

Q. You would have to put more people in, but Central Mortgage and Housing Corporation would have to do so too?—A. Not necessarily, because they are covering the area anyway—it is like having two milk routes in the same town.

Mr. PHILPOTT: I have just one question, and that is on page 24 of the brief where you are talking about how much the veteran saves under the build-your-own plan. Have you any exact figures on that? I mean, there is just an estimate there on the bottom of the page, which says:

We figured that by doing this they could save at least the contractor's profit, which was no small item, and also \$1,000 to \$1,200.

Have you, or has Mr. Griffith, any figures as to what is the actual experience and how much they do save?—A. I will ask Mr. Griffith to answer that question.

Mr. GRIFFITH: It is rather a difficult question to answer, Mr. Chairman. We find in trying to ascertain what the houses actually cost from the veterans themselves that their methods of keeping records are rather antiquated and loose. I have found in asking veterans what the houses had cost them—that is, in addition to what the contract price was—that he has not got the records because his wife is looking after them. She is not too sure because all bills are not in. She remembers she had \$50 last month with which she bought some linoleum. The veteran went out and did a little work for another chap who in return put some effort into the house, therefore it is rather difficult to get down to a definite figure. Our contracts run all the way from—for example, in B.C. we actually have some contracts which run about \$1,400; that is, particularly in the Okanagan valley.

Mr. PHILPOTT: Is that \$1,400 or thousand?

Mr. GRIFFITH: \$1,400 in some cases on irrigated land. That is what they have left to build a house with and that is what they start with. All he gets is a shelter at that time. We have one that runs up to \$60,000 which we are not too happy about, but taking our contracts, for instance for the month of February, there is one for \$5,200, \$5,400, \$5,500, \$6,000 and so on. Generally they run between \$5,000 and \$7,000. That is the amount that has gone into the house as we leave it with the veteran. He may have and very often does have to put another \$1,400 or \$2,000 into that to make it what you would call a complete house. Now, as to his savings all we can say is that he does eliminate the contractors' profit and overhead which is a very substantial figure. He may save money by getting materials at a much lower price than perhaps his neighbour, but the general figure if you take a house for which a contract

has been set for say \$6,000 the veteran's time and effort and that of his friends may bring that up to \$8,000 and that house might sell on the open market for say \$10,000 or \$11,000—they are the only figures we have.

Mr. PHILPOTT: So he is saving at least \$2,000 on a \$8,000 house?

Mr. GRIFFITH: We figure that he is.

Mr. PHILPOTT: Thank you very much.

Mr. JONES: I would like to add my thanks to the director for an excellent brief which has certainly made it clear to us what has been done on behalf of veterans. I am particularly interested in page 5 where it says: "Special assistance is always available and given to farm settlers who at any time may get into difficulties". It is on that subject I would like to say a few words. A month ago several veterans in the Okanagan valley lost their complete crop through frost—that is, the soft fruit bloom. One veteran said the losses run from 60 per cent to 95 per cent. He lost 85 per cent of his own crop for this year. He will be in difficulties unless some special assistance is given to him as would other veterans who are unfortunately in the same position. I would like to know what assistance can be or will be given to these particular veterans in the southern Okanagan valley? I realize if they are assisted for this one year they could carry on. It is not like the frost we had four or five years ago where the trees were killed, but this year they want just enough to carry them through until next year when possibly they will get an abundant crop.

The WITNESS: There is no financial assistance we can give, but it is surprising what our boys are able to do in scratching up further assistance.

Mr. CROLL: Do you mean scrounging?

The WITNESS: We do a lot of that too. I cannot say what can be done in this particular case, but we helped quite a bit at Kamloops when the frost hit there, by arranging with the province to have the trees removed so the orchards could be replanted.

Mr. JONES: Could the Act assist them to get a loan? That is what they want.

The WITNESS: I am sure the field supervisor would take them to the bank and help them arrange a loan. We do that quite frequently.

Mr. CROLL: May I make one observation. Mr. Weselak asked a question which indicated that he seems to be disturbed whether these mortgages would find their way into the hands of banks or approved lenders. Under the Act at the present time that is not possible. A veteran may start to build today and may not complete the house for a year, in which case banks and approved lenders under the Act do not give forward commitments. The only organization which will carry forward commitments are the Central Mortgage and Housing Corporation. They retain that mortgage and it is not possible under the present Act for these mortgages to find their way into these "avaricious institutions" Mr. Gillis talks about. On previous occasions it has been indicated that the sort of house the veterans are building now is the same type of house which was built for defence workers; they are \$8,000 and \$10,000 homes. This home would sell on the market for from \$10,000 to \$12,000. It was indicated quite clearly that the builders' profit on these homes was between 10 per cent to 12 per cent. That is a normal profit as most of you know. So, in addition to whatever savings he has as a result of the labour he and his friends contribute, he has that saving which would amount to at least 10 to 12 per cent.

Mr. DINSDALE: Mr. Chairman—

The CHAIRMAN: Mr. Dinsdale, it is almost one o'clock. We planned our next meeting for Thursday at which time we will hear the National Council

of Veterans. I was thinking perhaps the committee would like to continue this afternoon and finish questioning Mr. Rutherford because otherwise his submission will be broken up and he would not come on again until Friday.

Mr. CROLL: You laid down a program a little earlier in the week and we agreed to it. We have the external affairs committee this afternoon. We have missed many of those meetings to come here. If you are going to vary our meetings let us know in good time.

The CHAIRMAN: When we decided on this schedule of meetings we did not rule out a possibility of meeting in the afternoon at least on Tuesday. The idea was to meet at least four times a week and that we might hold an afternoon meeting on Tuesday or Thursday if it suited the wishes of the committee.

The CHAIRMAN: Is everybody satisfied to meet at 3.30 and we will go on with the questioning of Mr. Rutherford?

Mr. PEARKES: I am on the external affairs committee and we have to make a report as was announced in the House yesterday in order that the Secretary of State for External Affairs may be able to present his estimates on Friday. There are several members here who are also on the external affairs committee.

Mr. BENNETT (*Grey North*): Could we sit tonight, Mr. Chairman?

Mr. ENFIELD: Are we not through with Brigadier Rutherford?

The CHAIRMAN: I fancy that other members have questions to ask him. It is for the committee to agree when you would like to meet again.

Some Hon. MEMBER: Why not meet tonight?

The CHAIRMAN: At 8.30?

Mr. CROLL: The House meets at 8 we might as well do the same.

The CHAIRMAN: We will adjourn until tonight at 8 o'clock.

The committee adjourned.

EVENING SESSION

8.00 p.m.

The CHAIRMAN: Order, gentlemen. We can now continue our questioning of Mr. Rutherford.

Mr. T. J. Rutherford, Director, Veterans' Land Act, recalled:

By Mr. Dinsdale:

Q. At noon I was going to ask Mr. Rutherford a question about the practical implications of the new part of the legislation. We are all in agreement that it is going to fulfill a very great need so far as housing for veterans is concerned. For example, in my own city of Brandon there are 150 veterans who are waiting for accommodation in the wartime housing units. I would imagine they would be interested in a project of this kind.

Now, the question I would like to put to Mr. Rutherford is this: who is responsible for the promotional work? I think you made some suggestion this morning that in urban areas the V.L.A. are somewhat shortstaffed. There was also some reference made to the interest of the Canadian Legion in the project. Who would be responsible for taking the initiative in acquainting veterans of the potentialities of the legislation and giving them some instruction and some guidance in making use of the new legislation?—A. We are not particularly shortstaffed for our present work, but we would be for any extension of it.

The provision for the construction schools will be made by regulations and I cannot say just what those regulations will be. The governor in council will have to pass on these as you know.

The Legion, in their brief, did volunteer to promote house construction by veterans under this measure. They suggested this measure very much as it is in the bill. We expect to have full cooperation from the Canadian Legion. In fact, they are very anxious to promote it. But we, as a government agency, would not be actively promoting it. We do not do that. We are here when veterans come to us. They would be advised through the Legion and through the press as to what the legislation is.

By Mr. Croll:

Q. Is the Legion behind this bill to your knowledge?—A. The Legion asked for very much the same thing in their brief to the Prime Minister last November.

Q. Have they expressed any views on this bill to your knowledge?—A. I cannot say.

The CHAIRMAN: As a matter of fact, Mr. Anderson, General Secretary of the Legion, who is here this evening, spoke to me about the possibility of their appearing and giving further evidence. He said he had been in touch with the president of the Legion and after consulting with him he expressed the attitude that they did not feel they needed to make any representations and that they felt it was a very satisfactory bill. I am very happy to hear that that is their attitude. I think I have stated it correctly, have I not, Mr. Anderson?

Mr. ANDERSON: That is right.

By Mr. Goode:

Q. I have a few questions to ask. May I take this opportunity—since this is the first time I have had an opportunity—to say to Mr. Rutherford through you, Mr. Chairman, that this was the finest brief that I have ever listened to in a committee of the House of Commons. It is a lovely job that you have done. It is an exception, perhaps, because it is a businesslike brief. Some of the briefs we get are not businesslike, I can tell you. You mentioned this morning something about the number of thousands of veterans building homes under the auspices of Central Mortgage and Housing Corporation. Do you remember the amount?—A. I used the figure of 200,000 which I think is approximately correct. I think that many have built homes or have used their credits to take the mortgages off their homes. General Burns told me that about 82,000 had used their credits to buy homes.

Q. 82,000?—A. That is right.

Q. Would you have an opportunity to know of any general complaints which the veterans might have made against the collection agencies of Central Mortgage and Housing Corporation?—A. I have heard of none at all at any time.

Q. You have heard of none?—A. No, I have not heard of any.

Q. That is all.

The CHAIRMAN: Now, Mr. Henderson.

By Mr. Henderson:

Q. There are a few points I would like to ask you about. The first one deals with the size of the lot on which these homes, under Part II, can be built. I presume that the size of the lot would be similar to the size of lots which are approved by Central Mortgage and Housing Corporation?—A. That is correct.

Q. My second question is this: down in Kingston, west of Collins Bay, there is now a V.L.A. subdivision where veterans homes have been built and they have had trouble getting their water supply. I want to make sure that the proper branch of your department has this under consideration and that they will give it every consideration to which those veterans are entitled?—A. That matter is under very active consideration right at this moment, and if every thing is as represented, we think we should pay for the two or three wells that are being sunk there. We would consider them as test wells. Perhaps we should have had drilled test wells before the houses were built. However, we assume some responsibility for it and we are going to do something about it.

Q. Thank you very much.

The CHAIRMAN: Mr. Herridge.

By Mr. Herridge:

Q. I was very pleased with Mr. Rutherford's brief. It has given us a complete picture of the operation of this department, and that is of great benefit to any person on this committee. I am sorry that the committee members did not agree with my suggestion of a systematic approach to this review. Therefore I shall have to follow their rather scattered method of questioning.

I want to ask you four questions and say a word or two in regard to them.

I am intrigued with the phrase on page 4 of your brief, "collections without tears". But in view of the excellent record to date as far as collections are concerned, what is the principal reason for any failure to make repayment on time at this time? What would be the principal reason?—A. As I mentioned, most of the people who are in arrears at the present time are in the spring wheat areas where marketing has been very slow, and in the potato-growing area around Fredericton in New Brunswick. There are 77 cases of special arrears in the maritime provinces and in Newfoundland; and of those 77, 50 are in three field areas out of a total of 22 areas, so you can see that they are concentrated in the potato-growing areas. These are the only difficult cases we have there. Then there is some at Dauphin. In the flooded area north of Dauphin. This year the crops were very poor, and the collections are poor also.

Q. That would mean that in the majority of cases it is because of factors over which the veteran has little control.—A. That is right.

Q. And on page 5 you say:

Our field supervisors, though entitled to civil service hours, work the hours of a country doctor and seem to like it.

In fairness to them, in our district we have offices which are open and in which they are working at 10 o'clock at night for succeeding evenings during the week. What does your department do by way of compensating them for overtime? Is some provision made for them by way of holidays and so on?—A. I think that the country doctor goes fishing when he finds there is nothing particular to do. Those boys take time off. If we catch them fishing on Wednesday afternoon, there is nothing said to them. They are more or less free agents. They work by the year, not by the day or by the hour.

Q. On page 12 you mention:

The original cost of all property now held for veterans is well over three hundred million dollars (\$300,000,000), its present day value being in the neighbourhood of five hundred million dollars (\$500,000,000). The present fire insurance coverage alone is three hundred and two million dollars (\$302,000,000).

Possibly that would be the major criticism I would have to make of the Veterans' Land Act administration. Up to this last year or so I was under the impression that your appraisals had been made rather on a conservative side in some districts. I think these figures indicate it. In view of your experience with the Act up to date, and in view of those figures, would you agree that they have been rather on the conservative side?—A. Yes, I think I said that before, Mr. Herridge.

Q. Well, I did not hear it.

And on page 13—and this is my last question—you say:

While frontier settlement on provincial land has not been nearly so popular as was originally anticipated, a very large number of our farm settlers are now engaged in the development of what we believe is a more productive, and even more important, agricultural frontier.

Like the director, I too was somewhat disappointed at the amount of use made by veterans of the opportunity to settle under pioneer conditions on provincial lands. There must be a reason for it and I presume that the reason is that under modern conditions brides will not live under pioneer conditions; and also, in order to compete effectively, they have to have modern conditions.—A. That is pretty much the case.

Q. I asked this question because there are many veterans who will, in the future, want to go on provincial land providing they are assured of an opportunity to make even a modest living. But for that to be done I think there must be more cooperation between the federal Department of Agriculture, the provincial Departments of Agriculture, and the provincial governments to make it certain that services are supplied in relation to certain proposed developments. Has anything been done to secure the cooperation of provincial departments, by way of indicating to them that you would like to settle veterans on provincial lands?—A. We have had very excellent cooperation from the government of British Columbia. As you know, there is a coordinating committee in British Columbia with representatives of the provincial government, the federal government through P.F.R.A., and our department. They work very closely together and we are getting excellent cooperation.

Q. Are your officials instructed to keep you informed as to vacant provincial lands which will present an opportunity, let us say, in the near future?—A. No, but they do keep us informed, and they are free agents to encourage settlement. As you know, settlement comes under the provinces. It is the province which settles the veterans. We assist them after they are settled. The province has to be satisfied with them before they get the grant. They have to be satisfied that they are proper people to be settled on provincial land.

Q. Do you think that later on there will be greater use made of section 35 than there is up to date?—A. It is possible.

Q. There are roads being built today which would make new areas available?—A. That is right. And that is true in the case of some of the ranch country up the Cariboo. It is very attractive to veterans.

Q. And the Lardeau too?—A. That is right.

By Mr. Balcom:

Q. By provincial lands you mean "crown lands"?—A. Yes.

By Mr. Enfield:

Q. Mr. Rutherford, on page 20 of your brief where you are referring to the small holdings you say: "Unfortunately, some of the subdivisions which are adjacent to the larger and faster growing cities have been incorporated into metropolitan areas with resultant increases in taxation." Is it not true that

in the province of Ontario an amendment was recently made to the Ontario Municipal Act enabling municipalities to pass by-laws giving veterans relief in these cases?—A. That is correct.

Q. Is that true?—A. Yes.

Q. And has that procedure been followed in any other provinces, do you know?—A. No, we have certain tax arrangements with certain municipalities but no general arrangement like there is in Ontario now.

Q. Would it be true to say that the problem exists mainly in Ontario?—A. Yes, mainly in Ontario.

Mr. JONES: Mr. Rutherford, on page 13 of your brief you refer to run-down and worn out farms that have good service, roads, schools and so on. Is the title of any of these farms held by the Veterans' Land Act?

The WITNESS: Yes sir, we have some farms that we bought which have reverted and we have them for sale. We do not think they are good enough to put settlers on. We try not to follow up one failure with another. We have not many, but we have a few.

By Mr. Pearkes:

Q. In the explanatory notes of the bill, reference is made to the fact that Part III would provide additional benefits for commercial fishermen. You have said very little in your brief about commercial fishermen. I wanted to ask what particular type of benefits would accrue to commercial fishermen. Would they be able to buy additional nets or additional gear for their vessels or must the money they can obtain—I think it is \$1,400—be spent on housing or can it be spent on gear?—A. That is correct, sir, for new settlers only and for the purchase of lands and the construction of a house.

Q. I did not get that part of your answer.—A. For new settlers and only for the purchase of land and the construction of a house.

Q. So there is nothing which goes to a commercial fisherman for the purchase of new gear?—A. That is right.

Q. Nothing?—A. Nothing additional.

Q. It is all for the housing?—A. Yes.

Q. Might I ask you if you can define a commercial fisherman? Is it anybody who has a commercial fishing licence or how do you define that? We have had considerable difficulty on the west coast regarding the definition of commercial fishermen.—A. Well, a commercial fishing licence is a prime essential, of course.

Q. Well, that costs \$1—you realize that? And I can tell you of a number of professional men who go out every year and take a commercial fishing licence and spend their holiday commercial fishing. I do not think that is a very good yardstick.—A. Well, the licence may only cost \$1, but can everyone get a licence who has a dollar to spend or is it only certain people who are able to get them?

Q. If they are Canadian citizens and if they have been British citizens and have had licences before.—A. A fishing licence is at a high premium in the Ontario Great Lakes area. They do not cost much, but there is a very limited number available. If it is their principal occupation we would consider them as commercial fishermen.

Q. Of course, the difficulty which has been experienced out on the west coast is that it is such a seasonal occupation that you get a lot of people who are commercial fishermen for a short period of the year and a lot of them, as I say, are holiday fishermen who go commercial fishing to augment their incomes.—A. It would have to be their principal occupation.

Mr. BALCOM: The main source of their income?

The WITNESS: That is right.

By Mr. Weselak:

Q. On page 13 of the brief you make the following statement:

With more stable prices now prevailing, we may very well see an increase in farm settlement during the years just ahead. However, capital considerably in excess of \$6,000 will be necessary to effect a sound establishment even on the cheaper type of farm.

Part III provides for additional loans of \$3,000. Am I correct in assuming that with the new settler you actually have available to him \$9,000?—A. There would be \$10,500 available with the \$1,980 the settler puts up as a down payment.

Q. So you would have \$9,000 available?—A. Yes.

Mr. GOODE: I wonder if I could refer Mr. Rutherford to the table at the back of the brief entitled "Special Arrears". I am interested in the New Westminster heading.

Mr. CROLL: What table are you speaking about?

Mr. GOODE: One in the back of the book.

The WITNESS: Table B.

By Mr. Goode:

Q. I am interested in New Westminster because my constituency is Burnaby-Richmond, which is included in that. Before I ask my next question I want to mention Mr. Grant, who comes under your department and who is most co-operative. I have met him, and I think he is doing fine work. The table shows that everyone in the riding pays their bills. How many people have you got in the New Westminster district that come under V.L.A.? Have you got the tables there?—A. We have 3,689—the largest in Canada. Excuse me, Edmonton is a close runner-up. Edmonton has 3,655 and New Westminster has a few more, and we are very very proud of what New Westminster has done. They came up this time without any special arrears at all.

Q. You have no table of the location—there are three or four there—can you break down New Westminster in a hurry? Can you give me Burnaby, for instance?—A. Tell me which one is nearest: Brighouse, Cloverdale, Surrey, Whalley, Langley, Chilliwack, Mission or Haney?

Mr. GREEN: Those are all in the Fraser Valley.

By Mr. Goode:

Q. What I was asking is do you happen to have the figures for Burnaby; it is not mentioned in your table?—A. No, it is included in one of the others, as the headquarters of the field supervisor.

Mr. GREEN: None in Burnaby!

Mr. CROLL: Let us get on with the bill.

By Mr. Quelch:

Q. I would like to ask Mr. Rutherford one question. Can you tell us how the veterans who were settled on government land in the special areas in the so-called "drought area" are getting on? I am especially interested in that because I know you were a little leery in the first instance about settling any veterans in there but finally under pressure from the veterans themselves you did allow a few to settle in there and I understand they are doing very well.—A. I cannot answer that very definitely, Mr. Quelch. There were a few who did not succeed but those who are there now are getting along very well.

Q. About the same percentage of arrears as the rest of Canada?—A. We have more arrears in the Red Deer region. There is only two other regions which have more arrears than Red Deer. I think this report indicates that Dauphin and Grande Prairie have more than Red Deer. It should not be as bad as it is. I believe Mr. Allam has one at Drumheller.

Q. Please turn to example 3 in table H:

A full-time farmer established five years ago on a farm worth \$6,500 in which V.L.A. invested \$4,800 and \$1,200 S. and E. is granted a loan to build a barn costing \$3,600.

Then you show \$600 as being paid by the veteran. Why is that only \$600? Are you taking into consideration the \$500 in excess of the \$6,000?—A. Example No. 3 refers to a full-time farmer established five years ago on a farm worth \$6,500 in which V.L.A. is interested. There was an excess paid at the time of purchase.

Q. That is \$500 excess?—A. No, it was more than that—\$1,200 plus \$500; \$1,700 excess.

Q. In the case Mr. Herridge mentioned just now where a good many of the farms held today by veterans are worth considerably more than the amount paid for them, if they were then to get a loan, that excess value would be taken into consideration in the payments, would it?—A. If it was put there by the man's own work. The excess value which has grown up because of better times would not be considered.

Q. On the other hand, if he had paid a certain amount of his own money in addition to the amount he had to pay, would that be considered?—A. Yes, the same as under the Act.

Mr. BENNETT: Or if he got a bargain from, say, his father when he bought the farm.

Mr. CROLL: Mr. Chairman, could we get on with the bill?

Mr. GOODE: I have just one question which has just come to my mind. Can you tell me quite quickly—what about the veteran who has a small holding, as they have in Richmond, B.C., and he dies; what is the position of his widow? Maybe I should know, but I do not.

The WITNESS: The widow takes over the property if she so desires. In fact, I have a clipping here which I was just showing to Mr. Tucker which concerns a widow in Winnipeg whose husband was killed in a railway accident last year. Our boys are out helping her put in her garden. I clipped this out of the paper today—at least my secretary did. The widow took over her husband's small holding—I think three acres—and is putting in a garden and the field man and some of our office staff are out giving her a hand. That is what generally happens. If the widow wants the property we give her every assistance.

By Mr. Herridge:

Q. I think there have been one or two cases in our district—I am not sure whether they are under the Veterans' Land Act or not—cases where the veteran acquired a property and a home. He and his wife worked on it for several years, and then for some reason or other the husband disappeared and left the poor wife without any title to the property. Have you had any experience along those lines and have you given any consideration to joint-ownership between the wife and the veteran?—A. We have had some cases of that nature. We cannot very well take action in these cases, but we do endeavour to get them together and have some arrangement made. There is nothing we can do to put the property in the wife's name.

Q. Suppose the wife were to carry on and keep the payments up and that sort of thing: what happens then?—A. She is taking a certain amount of chance, Mr. Herridge.

Q. That is, the wife is?—A. Yes. If there is no reconciliation and she is paying a debt for the husband and we would be required to give the husband title should he return. Title would have to go to the husband under the law.

Q. It is tough going for the wife?—A. Yes, it is tough going for the wife but we have always been able to arrange those things. I do not know of a case that has ended up in real hardship.

The CHAIRMAN: If we were to start taking the bill clause by clause then questions could be asked arising out of the various clauses if the general questioning has been completed.

Mr. GREEN: Was it not the understanding that we would hear this review and then have the submission from the national council tomorrow and then go into the bills later on? As a matter of fact, this bill was the fourth one to be considered.

The CHAIRMAN: What I had in mind, Mr. Green, was that the pension Act would be held for consideration until after we heard from the national council and that any of these other bills that we considered would not be reported until we had heard from them. Now, we will not hear from them until Thursday.

Mr. GREEN: Our next meeting is on Thursday?

The CHAIRMAN: Yes. Would the committee have any objection to taking the non-contentious items in this bill and asking any questions of Mr. Rutherford arising out of the bill as we go along?

Mr. GREEN: We did establish the other order of business. We have only had this bill a short time. As a matter of fact I have not yet had the time to read it.

The CHAIRMAN: If anyone wants any section to stand it could stand. Mr. Rutherford will be here and we could take another half hour asking any questions on sections that they might desire to stand arising out of the various sections of the bill.

Mr. GREEN: I do not think we should go ahead and pass the sections.

The CHAIRMAN: I did not have in mind passing them unless there is unanimous consent.

Mr. GREEN: A number of members were not able to be here this evening. We met for the purpose of finishing the presentation of Mr. Rutherford. I think we should not go ahead and pass on the bill now especially as it is the last bill.

The CHAIRMAN: We thought originally we would not deal with it until we had dealt with the Pension Act. Another thing which influenced me tonight was the attitude of the Canadian Legion that they were satisfied enough with the bill that they did not desire to make representation on it.

Mr. GREEN: In any event this is an extra meeting this evening. It was not planned at all. We simply sat this evening to finish hearing Brigadier Rutherford.

The CHAIRMAN: I do not want to press it if the committee wishes more time.

Mr. GOODE: It is very nice to listen to these conversations if we could hear them, but I have not heard a word Mr. Green said and I have heard very little you have said.

Mr. CROLL: You have missed nothing.

The CHAIRMAN: As Mr. Croll says, you have missed nothing.

Mr. CROLL: Oh, no. I was just whispering.

The CHAIRMAN: It reminds me of what happened once in the House. Someone was making a speech and somebody said "I can't hear a word being said" and the man next to me said to the objector "You are lucky".

Mr. GOODE: I do not think I am lucky. I would like to hear what is going on.

The CHAIRMAN: I suggested we call the clauses and there might be some questions occur to the members of the committee arising out of the various clauses and nothing would be carried except by unanimous consent. We are making use of today while we are waiting for the National Council of Veterans and if there is any real objection we should not insist on proceeding. Therefore I would ask if there are any other questions arising out of the brief that members would like to ask now, and we will wait until we have the brief of the National Council of Veterans, and then start taking the bill clause by clause. As stated in view of what we decided and the objections of Mr. Green we should not proceed clause by clause, but if there are any further questions we would like to have them now.

By Mr. Harkness:

Q. I was not here earlier this evening and do not know what questions have been asked. If this question has not been asked I would like an answer. I noticed somewhere in the brief you mentioned the very large increases in taxation which have taken place, particularly as far as small holdings are concerned, and those increases in taxation also apply to a lot of full time farmers. What has been your experience as to the amount of hardship that has meant as far as veterans under the Veterans' Land Act are concerned? —A. The only place it has made a great deal of difference I think is the province of New Brunswick where taxes have more than doubled and in some places they have trebled on farm lands due to the building of new schools for instance. I do not think it is as serious a matter in other provinces. It is balanced more or less by the raise in farm income.

Q. I know of one case in which the veteran's information to me was that he was not going to be able to meet his payments next year and attributed this for one reason, to the increase in taxation, which in his case was more than twice what it had been, and I wondered whether that was perhaps one of the reasons for the very small number of people who are in arrears? —A. Was that a farmer or small holder?

Q. Full time farmer.—A. We have considerable in tax arrears and are working very hard on them at the present time. We do not want to become tax collectors for the municipalities. That is their responsibility. If we started we would have to keep on doing it, but as far as we can we are making every effort to get our settlers to pay their taxes.

Q. If you do pay the taxes, it becomes something further due to you by the veteran.—A. Yes.

Mr. BALCOM: Is it not true that where taxes go up the land value increases probably greater than the increase in the taxes?

The WITNESS: Generally speaking, but probably it has had the reverse effect in the province of New Brunswick.

Mr. BALCOM: Would this be the case in New Brunswick in the last year?

The WITNESS: In the last five or six years, yes.

By Mr. Dinsdale:

Q. Mr. Chairman, some time ago I had complaints concerning the veterans settlement under V.L.A. in relation to the Farm Loan Board. Is the V.L.A.

veteran entitled to assistance under the Farm Loan Board? I think there was some complication recently which I believe has been cleared up? —A. Probably you are referring to the Farm Improvement Loans Act?

Q. Yes.—A. The Farm Loan Board of course do not give loans on V.L.A. property but our veterans get a lot of help through the banks under the Farm Improvement Loans Act. There has been some suggestion in various places that they are not allowed to give loans to veterans settled under the Veterans Land Act. I think that that has been said just as an excuse not to give a bad loan. Our veterans have many loans under the Farm Improvement Loans Act.

Q. The veteran is under no handicap?—A. Not so far as the purchase of livestock and equipment is concerned. It does not apply to real property. Just chattels. Our problem has been with people getting too much in some cases, particularly with respect to buying trucks.

By Mr. Quelch:

Q. The only benefit the veteran will get under this Act will be he will be able to count the increments or excess payment he may have made on the place. On the farm improvement loan he would have to put up one third. On this he, if he has paid a certain amount on the place, may count it as a cash payment.—A. Loans under the Veterans Land Act are for real property loans. Under the Farm Improvement Loans Act they are for stock and equipment, principally farm equipment.

Q. Under the Farm Improvement Loans Act a veteran can get a loan for machinery, stock or improvement to the house. Now, he would be just as well off under this Farm Improvement Act except that this is for a longer period of time?—A. Yes.

Q. The interest rate and cash payment would be the same, but this is for what—ten years?—A. This is for the balance of the period of his contract; it may be from 25 years down.

Q. That would be a big advantage because under the Farm Improvement Loans Act he has only three years?—A. As a rule, yes.

Mr. HARKNESS: I notice on page two you state: "339 have abandoned provincial lands on which they were settled." What province was that in in particular? I was wondering particularly about the success of the provincial scheme in Alberta which looked as if it would be quite good.

The WITNESS: Mostly in Alberta and Quebec, I think. I think Quebec and Alberta would cover the most of them.

Mr. McCracken: Alberta is heavy.

Mr. HARKNESS: What is the reason for the abandonment in most of those cases?

The WITNESS: I think it is the good times around the oilfields.

Mr. HARKNESS: How many of the people, that is veteran settlers, that took these provincial lands on the joint scheme are still there and apparently are able to carry on successfully?

Mr. McCracken: In Alberta?

Mr. HARKNESS: Yes, as compared with ones who have abandoned them?

Mr. McCracken: Roughly 2000 out of 2263. How many still there?

Mr. HARKNESS: Yes.

Mr. McCracken: Roughly 2000 out of the original group of 2263.

Mr. HARKNESS: 263 have abandoned it and 2000 others are still there?

Mr. McCracken: Yes.

The CHAIRMAN: What is the record in Saskatchewan?

Mr. McCracken: 66 have been abandoned out of 1572. In those two figures there were a number who actually obtained title to the properties. For instance the one project up in Alberta.

By Mr. Green:

Q. Why is it that there has been the difficulty with respect to provincial lands? If I remember correctly our idea when the Act was originally passed was that there would be quite a large number of veterans settle on those new lands in the frontier districts in the various provinces, particularly in the west. I suppose it is because there has been so much business around the cities and one thing and another that it is pretty hard to get veterans to go out to these frontier areas. But, is there any way in which you can suggest that situation would be remedied because it is of the utmost importance that these areas be settled?—A. We are I think probably as much interested in renovating the farms that are already cleared and have the facilities of schools and churches and good roads and all that sort of thing. Those crown lands will still be there and are not hurting. Do you think there is any great advantage in opening up more land at the present time when we have land that can be renovated and made productive?

Q. As I remember it the intention of the members of the committee back in the 1940's was that the Veterans Land Act would be very useful in helping to open up these lands, and I should think in quite a few cases the situation of the veteran in the long run would be better than to go onto these old farms which had been more or less abandoned. Apparently the policy is to concentrate on these old farms. That may be a better practice, but I am afraid the situation is that this one intention of the committee in earlier years is not working out.—A. The settlement on Provincial land is done by the province. We do not take the initiative in the settlement. The province settles the man and if we consider him a good risk we give him assistance under section 38.

Q. If I remember it correctly the provinces assured us they would see that the veterans were settled in districts which would be serviced with schools and other facilities. Now, have the provincial governments been falling down on that undertaking or is the situation that the policy of the Veterans' Land Act administration has been focused on settling more on the old farms rather than on the provincial lands?—A. No. We have no policy in the matter, sir. The veterans are not as interested in going into those outlying places now as they were after the first war. The larger settlements under the Soldiers Settlement Act were on the frontiers.

Q. Are the provincial governments cooperating in each case to help settle veterans?—A. They are.

Q. In all provinces?—A. In all the provinces with which we have agreements. There is no agreement with Prince Edward Island or Nova Scotia.

Q. But you have agreements with all the other provinces?—A. All, but these two.

Q. Can you suggest anything that could be done to facilitate settlements of this type in the frontier areas?—A. No. The provinces are interested in opening up those areas, provided there is a demand for them; but the demand has not been any greater than the number already settled.

Q. I suppose there is a limit to the number of old farms that can be taken up by veterans?—A. Yes.

Q. Have you nearly reached that limit?—A. No. There are a great many left yet.

Q. Have you made any estimate of the number of veterans who are likely to be settled per year in the coming years?—A. I think if you will follow the graph on table "E" you will get an idea of how the trend is going.

Q. Well, have you any estimate of the number you expect to settle, let us say, in 1954?—A. The farmers are running about 900 a year, I think. Just a second and I will tell you.

Mr. McCracken: Do you mean provincial land settlement or all land settlement?

The WITNESS: Last year new settlements numbered 1228 and that includes commercial fishermen. However, there were very few commercial fishermen.

By Mr. Green:

Q. These are farm settlements as distinguished from small holdings?—A. That is right; 1228.

Q. Have you made any estimate of what there would be in the years ahead?—A. They have flattened out, but I think there will be quite an upsurge of settlement with additional money available. There is bound to be, because that is what has been holding the veterans up; they did not have enough to pay the excess.

Q. Has there been any trend in later years towards settling on provincial lands?—A. No. I would say it was drying up.

Q. You think it is more the other way?—A. Yes.

Q. You mean that more are settling on old farms?—A. That is right. Clearing is very expensive these days, and it is going up all the time, and in comparison to the land values it is much higher today.

By Mr. Quelch:

Q. I think that one of the reasons that many veterans settled under the provincial settlement plan was the fact that they did not have enough money to qualify under the Veterans' Land Act. They were not able to put up enough money to meet the cash payment on a farm costing \$6,000; but on the other hand they could get government land with very little or no money at all?—A. Yes.

Q. And for the reason that they did not have any money. That was one reason why there might be more failures than there would have been if the veterans had been better off?—A. That is right.

Q. I think a lot of land in Alberta, under the provincial scheme, has been very good land; but I think the veterans there were in poorer circumstances than other veterans. However, you have said that 2,000 out of 2,200 were still on the land and I would not call that too bad considering the conditions under which they are settled.—A. Alberta has been very, very good to the men. They probably cleared them too much land, more land than they could handle. They have been very, very helpful.

Mr. GREEN: But in British Columbia only 153 settled on provincial land, which seems very, very low compared with the other provinces.

Mr. HANNA: The Peace River block is included in the province of Alberta. I am right on that, am I not?

The WITNESS: That is right. It is a matter of communication.

Mr. GAUTHIER (Portneuf): Have you the figures for the province of Quebec showing the number of veterans on Crown land? I mean the number of veterans who have settled in the province of Quebec and in what districts, and the number on Crown lands which have been distributed to veterans in the province of Quebec, in cooperation with the provincial government there?

The WITNESS: The total is 353 to the end of the year. Most of them are in the Amos area.

Mr. CARDIN: If the reason for the abandonment of farms by the veterans in Alberta was the discovery of oil, then what was the reason for the abandonment of the farms in Quebec? Why were the farms abandoned?

Mr. CROLL: Because of the discovery of Duplessis.

The WITNESS: Do you want an answer?

By Mr. Cardin:

Q. Yes, if you please.—A. Well, pulpwood was at a pretty good price when the lands were taken over. I suppose some of them received a very good price for this, and took up employment elsewhere.

Q. What would be the percentage of those who left the land?—A. In Quebec?

Q. Yes.—A. Twenty-four per cent, which is higher than the others. But a good many of those who settled on Quebec provincial land took over land that had already been abandoned and partly cleared. They took it over and kept it for a while and then turned it back.

Q. Thank you.

The CHAIRMAN: Are there any further questions? If there are no further questions then I would certainly like again to thank Mr. Rutherford for the very splendid submission he has presented and to express our satisfaction that he was able to present such a splendid picture of the situation under the V.L.A. administration, and also to suggest that we are looking forward to having him back with us when we deal with the bill clause by clause.

We are now adjourned until Thursday morning at 11.00 o'clock.

The committee adjourned.

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Canada. Veterans Affairs, Special
Committee on,

HOUSE OF COMMONS

First Session—Twenty-second Parliament
1953-54

SPECIAL COMMITTEE

ON

VETERANS AFFAIRS

Chairman: W. A. TUCKER, Esq.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 5

THURSDAY, MAY 27, 1954

WITNESSES:

Lt. Colonel E. A. Baker, Chairman, and Judge F. G. J. McDonagh, of the
National Council of Veteran Associations in Canada.

Mr. J. L. Melville, Chairman, Canadian Pension Commission.



ORDER OF REFERENCE

WEDNESDAY, May 26, 1954.

Ordered,—That the name of Mr. Johnson (*Kindersley*) be substituted for that of Mr. Herridge on the said Committee.

Attest.

LEON J. RAYMOND,
Clerk of the House.

MINUTES OF PROCEEDINGS

House of Commons, Room 277,
THURSDAY, May 27, 1954.

The Special Committee on Veterans Affairs met at 11.00 o'clock a.m. The Chairman, Mr. Walter A. Tucker, presided.

Members present: Messrs. Balcom, Bennett (*Grey North*), Cardin, Cavers, Dickey, Enfield, Gauthier (*Portneuf*), Gillis, Goode, Green, Hanna, Harkness, Henderson, Jones, Nesbitt, Pearkes, Philpott, Quelch, Roberge, Stick, Thomas, Tucker and Weselak.

In attendance: Honourable Hugues Lapointe, Minister of Veterans Affairs; Mr. E. L. M. Burns, Deputy Minister, and the following other officials of the Department of Veterans Affairs: Mr. G. H. Parliament, Director General of Veterans' Welfare Services, Mr. W. Gordon Gunn, Q.C., Director of Legal Services, Mr. E. J. Rider, Research Adviser, Mr. T. J. Rutherford, Director of Veterans' Land Act, Mr. C. B. Topp, Chief Pensions Advocate; Mr. G. C. Derby, Western Regional Administrator. Mr. J. L. Melville, Chairman, and Mr. Leslie A. Mutch, Vice-Chairman, of the Canadian Pension Commission; Mr. T. D. Anderson, General Secretary, and Mr. D. M. Thompson, Chief Welfare Officer of the Canadian Legion, B. E. S. L.

Also, the following representatives of the National Council of Veteran Associations in Canada: Lt. Colonel E. A. Baker, Chairman, Sir Arthur Pearson Association of War Blind; Mr. J. P. Nevins, Secretary, Army, Navy and Air Force Veterans in Canada; Mr. J. A. L. Robichaud, Canadian Paraplegic Association; Mr. L. G. Tomczak, Sir Arthur Pearson Association of War Blind; Mr. W. Dies, Sir Arthur Pearson Association of War Blind; Mr. R. M. Turner, War Amputations of Canada; Mr. Allan Bell, War Amputations of Canada; Mr. A. T. Pollock, War Pensioners of Canada; Judge F. G. J. McDonagh, of the Canadian Pensioners' Association of the Great War.

The Chairman welcomed the delegates of the National Council of Veteran Associations in Canada and invited Lt. Colonel E. A. Baker to address the Committee.

The witness introduced each member of his delegation and then informed the Committee that he would ask Judge F. G. J. McDonagh, of Toronto, to read the Council's written submission. Lt. Colonel Baker, Judge McDonagh, Mr. Dies, Mr. Bell and Mr. Robichaud were in turn questioned in elaboration of the said written submission.

Mr. Burns and Mr. Melville contributed certain information arising out of the subject matters dealt with in the Council's written submission.

At the conclusion of the Council's submission and period of questioning, Mr. Green moved and, it was unanimously agreed, that a vote of thanks be extended to Lt. Colonel Baker and his associates.

At 1.00 o'clock p.m., the Committee adjourned to meet again at 11.00 o'clock a.m. Friday, May 28.

A. CHASSÉ
Clerk of the Committee.

EVIDENCE

MAY 27, 1954

11.00 a.m.

The CHAIRMAN: Order, gentlemen. If the committee will come to order we will now proceed. We have the pleasure this morning of welcoming the representatives of the National Council of Veterans Associations in Canada. Their member associations are the Army, Navy and Air Force Veterans in Canada, the Canadian Corps Association, the Canadian Pensioners' Association of the Great War, the War Amputations of Canada, and the Sir Arthur Pearson Association of War Blinded. Heading the delegation is our old friend whom we all think so much of, Colonel Eddie Baker. Colonel Baker is going to introduce his delegation and have Judge F. G. J. McDonagh present the brief and then Colonel Baker will speak to it. Colonel Baker is an old hand at appearing before parliamentary committees so that I told him he could arrange the presentation as he thought best. I now call on Colonel Baker.

Lt. Colonel E. A. Baker, Chairman, Sir Arthur Pearson Association of War Blinded, called:

The WITNESS: Thank you, Mr. Chairman. Gentlemen, you have always been very kind in the receptions you have given us and we have tried to spare you in the matter of length of presentation so without further ado I will introduce our delegation. First we have Judge F. G. J. McDonagh of Toronto and Mr. A. T. Pollock of the War Pensioners of Canada. Judge McDonagh is past president and Mr. Archie Pollock is the president in office. Next we have the War Amputations of Canada. Mr. Allan Bell, second war, and Mr. Dick Turner, first war. Next, the Sir Arthur Pearson Association of War Blinded. Mr. Lloyd Tomczak, president and Mr. W. C. Dies, first war, past president. The Canadian Paraplegic Association is represented by Mr. Robichaud in the wheel chair. Unfortunately our representative from the Canadian Corps Association was not able to be with us today. The Army, Navy and Air Force veterans are represented by Mr. John Nevins, dominion secretary.

Now, gentlemen, I will ask Judge McDonagh to read our brief. I understand you each have a copy in your hands. Will you proceed?

Judge McDONAGH: Mr. Chairman and gentlemen.

This submission is made on behalf of the National Council of Veteran Associations representing the following organizations:—

Organized

Army, Navy and Air Force Veterans in Canada	1840
Canadian Corps Association	1934
Canadian Paraplegic Association	1945
Sir Arthur Pearson Association of War Blinded	1917
The War Amputations of Canada	1920
The War Pensioners of Canada	1922

We appreciate the opportunity you have afforded us to express some opinions in respect to the bills, discussion of which constitutes your order of

reference. We regret that your terms of reference do not include consideration of war veterans allowance and treatment of war disabled in classes 1 to 11 for non-entitlement conditions.

Subject to your indulgence, we would appreciate the opportunity of expressing our views on treatment, which is of extreme importance and vital interest, especially for those on low incomes who may require such.

Reference Bill 339

In respect to this bill, we offer the following comments.

Section 3, Sub-section 11: If this section will facilitate the fixing and administration of commensurate salaries, without impairing the force and effect of appointments to the commission by the House of Commons, and protected from partisan or other influences which would be detrimental to the fair and impartial administration of the Canadian Pension Act, we have no objection.

Section 36, Sub-section 3 (a)—Widows; and section 74, Sub-sections 1 (a) and (b)—Wives and Children: We may here quite properly reiterate our comment of May 13th, 1952:

In 1930, most of the member organizations of this council suggested a formula establishing bona fides of marriage in the case of those married subsequent to the appearance of the disability. Our suggested formula was not accepted, but a definite deadline, January 1, 1930 was put into effect. From time to time, it has been necessary to introduce requests for the elimination or advancement of this deadline and considerable confusion and hardship has resulted. In 1948, we again appealed for the elimination of this deadline, but again it was advanced. Arising from the fear of death-bed marriages of very old veterans with very young women, the deadline idea was born and has thus far survived to plague the peace of mind of worthy veterans of the first great war and their wives and at various times it has given rise to unfortunate implications in the case of women married after a deadline, and even some children born after the deadline as compared to others in the same family born before. Our original formula of five years of married life or one child born in wedlock might even be enlarged by or supplanted by a limitation of not more than twenty years age differential between the veteran and his wife.

We are still of the same opinion.

There is one comment which is not in the brief which deals with the bill and that is that section 14 of the bill, the amending section uses the term 50 per cent to 100 per cent. We suggest that to be consistent it should use the same terminology which now appears in section 36, subsection 3 of the Pension Act; namely, that it should be "classes 1 to 11" rather than "50 per cent to 100 per cent" as it is. It is already in the Act as classes 1 to 11 and we think the amending section should be in the same terminology.

Multiple Disabilities

We respectfully desire to draw your attention to the plight of those who must labour under the handicaps of two or more disabilities for which they have been granted entitlement. Some of these disabled men would, under the present system of assessment, show a disability total up to 270 per cent or more. Under the Pension Act they are entitled to receive only the 100 per cent disability rate. No amount of war disability compensation can ever really compensate these men for the discomforts, frustrations and interference with a normal mode of life and activities. There is no provision in the Pension Act for more than 100 per cent disability compensation. Where blindness or amputation or both may be involved in one case, helplessness allowance may

be granted. We bespeak for men in this group every consideration that can be devised to make the restricted life and living condition permissible as secure and comfortable as possible.

459—Act to Amend the Veterans Land Act

We note with appreciation the proposals to facilitate home building by veterans. The easing of the restrictions on the location and size of the lot and in the face of modern building costs, the increase in the loan available, should do much to encourage the veteran in seeking to build and own his own home.

We have a resolution put forward by the War Pensioners of Canada and approved by our national council for presentation at this time. The resolution is quoted as follows:

Be it resolved that where a veteran settled on the land dies before completing 10 years of occupancy, his dependents shall be permitted to sell and receive the benefits as if they had completed 10 years of occupancy.

Comment: Where a veteran dies before completing 10 years of occupancy, his dependents may be unable to continue making payments and working the land. This also would apply in the case of a market garden or small holding, since the reduced income of the family would not be sufficient to complete the contract. In making this suggestion, we are anxious to avoid hardship and loss for dependents under such a tragic circumstance.

Hospitalization and Treatment for Disabled Veterans for Non-Entitlement Conditions

With your permission, we re-submit our 1952 recommendation:—

Recommendation:—That war disability compensation cases in classes one to eleven be afforded treatment without charge by the Department of Veterans Affairs for non-entitlement conditions.

Comment:—Complications and cases of hospitalization in general have become an important and serious factor in the life of veterans, especially those in the major war casualty group. Various efforts have been made to relieve the worries affecting these men, but each time complications have usually multiplied to the point of becoming a plague to those responsible for administration and a source of confusion to the veterans concerned. An effort was made several years ago to organize a Blue Cross coverage, but it soon became obvious with the variations in Blue Cross coverage and fees in various provinces in which they operated, that increasing difficulties in meeting their requirements and at the same time meeting the needs of the veterans, made the plan financially impractical. If the government of Canada and the Department of Veterans Affairs have definitely concluded that the Canadian economy cannot face this issue and provide free treatment for non-entitlement conditions of the major casualties of the two great wars, constituting after deduction for those otherwise covered, less than one-third of the total number of surviving casualties, then we would respectfully suggest that the Department of Veterans Affairs be authorized to work out a medical insurance and hospital policy designed to cover all war disabled veterans and permit the veteran in the group to subscribe or authorize deduction from pension payments due.

Comment as of the Present:—We greatly appreciate the effort which has been made by the treatment branch of the Department of Veterans Affairs and the government to amend treatment regulations to afford more definite relief to disabled veterans in this category, especially those who are in the lower

scales of income. Any latitude which may be given to the department in the administration of treatment regulations to relieve or avoid financial hardship for the veteran and his family will be most encouraging to him and to all who understand the problems of the disabled and who appreciate loyal service to the country, unselfishly rendered at whatever cost.

It is our opinion that the people of Canada think that the seriously disabled; i.e., in Classes 1 to 11, are now entitled to treatment at any time for any condition from which they may suffer, regardless of entitlement.

Deduction From Treatment Allowance

Recommendation:—That the practice of deducting \$15.00 per month from the allowance payable to a disability pensioner, when he goes into a Department of Veterans Affairs hospital for treatment of a disability which has occurred as a result of active service, be eliminated. This Council on other occasions has advocated this policy and are still of the same opinion.

Comment:—We are certain that the disability pensioner was not charged \$15.00 per month while being treated in dressing stations or in general hospitals before being discharged. It is our opinion that the people of Canada are not aware that their disabled veterans are being charged this \$15.00 a month for treatment of disabilities incurred on active service. We are further of opinion that there is no provision in the Canadian Pension Act which would provide for said deduction, and that any such regulation passed under the provisions of the Department of Veterans Affairs Act is inconsistent with the intent of the provisions of the said Act and is repugnant to the principle of all veterans' legislation commonly referred to as the veterans' charter. Any regulations, in our opinion, which may have been made to cover this deduction have in fact no authority in the Act and the money deducted from the veterans mentioned has been wrongfully charged.

In concluding our presentation to you today, we wish to emphasize the point of view and the policy which we as responsible veterans have earnestly endeavoured to maintain down through the years. We believe we have been right in assuming that the government of this country and the administration of the Department of Veterans Affairs and of the Canadian Pension Commission have been humane in their administration and co-operative with the veterans and all who try to help them.

We, as organized veterans, have always endeavoured to present reasonably the views of veterans and where necessary, the needs of an unfortunate individual. In this, we have been greatly encouraged, especially in more recent years, by the broad understanding and the thoughtful co-operation which we have enjoyed. This has been particularly true of the treatment division of the Department of Veterans Affairs and of the Canadian Pension Commission. Any comment, especially public, which would suggest otherwise, is not fair, realistic or rational. The administration of the Canadian Pension Act, with all the responsibilities involved, has been the best we have ever known since 1916.

We appreciate your considerate attention:

Respectfully submitted,

E. A. Baker, Chairman,

J. P. Nevins, Secretary,

*National Council of Veteran Associations
in Canada.*

Hon. MEMBERS: Hear, hear.

The WITNESS: Mr. Chairman and gentlemen, that is our fairly brief brief and I appreciate Judge McDonagh's kindness in reading it to you so distinctly.

Now, I do not propose to take much of your time. I do appreciate—I think we all appreciate—the fact that you, as veterans yourselves and elected members of the House of Commons, have obviously a keen sense of responsibility to do the fair thing as opportunity offers. We, on the other hand, as veterans endeavouring to the best of our ability to represent the needs and conditions of veterans across the country, also have a sense of responsibility. Down through the years we have come up here to meet with committees such as this from time to time in the hope of ironing out some wrinkle or relieving some condition which seems to us to be a little out of line with the principle that underlies these provisions and to express our views as to what is fair and reasonable. Now, we do not seek undue privileges as compared to other citizens in Canada. We have regard for the fact that Canadian forces who have served, especially overseas in the two great wars and in Korea, are not draftees essentially. They were volunteers and as such were employees of this state serving on behalf of the people in the state. As employees, serving without counting the possible cost, many of them have suffered and it is a question of war disability compensation that we have insisted should be reasonable as well as the treatment provision and such other rehabilitation provisions as are necessary. I am proud of the record which Canada has set, but since no legislation that I have ever known can be said to be perfect in the finality there still may remain certain wrinkles or adjustments that are desirable, and we feel impelled as a co-operating body to work with you in pointing out where troubles may lie and where improvements may be made. We realize that these things cannot always be done immediately. In our experience—some of us have been plugging at this for a long time—it takes 5, 10, or 15 years to get an idea across. Maybe we are not such good advocates. Maybe it takes time for ideas to sink in and for the authorities to whom you must appeal to recognize and take the necessary action.

Now, in our work with the Department of Veterans Affairs as it is now known—most of us have known it under various names since 1917—we have worked on the principle that as responsible citizens and with the additional responsibility of representing veterans that our job is to cooperate with the department. We realize that the department have their sense of responsibility and that we may reasonably assume that the department is going to do its best to administer the provisions for the veteran in the fairest way possible. It is our job, being closely in touch with the veteran in his everyday life, to come and cooperate and point out wherever we think there is friction or something to be adjusted, and in effect we are partners. We have worked on that principle down through the years and have also worked on another principle. I recall in the early days of the veteran movement in this country the resolutions used to be started off “we demand”. I discussed that with some of the veteran leaders and pointed out that it was a wrong approach, because when someone approaches me and says “I demand” something my back hairs stand up and the tendency is to resist. I said, on the other hand, if we cooperate I am sure such cooperation will beget cooperation and everybody will be a little happier working together and the veterans will be relieved. That has been our policy. That does not mean where we have seen any weakness or any inconsistency that we are not going to put the finger on it and be quite frank about it. We have been critical on occasion, but we have done our criticizing where we thought it would be most effective and it has usually worked out. We have tried to be reasonable in the process.

Now, gentlemen, I do want to thank you. Some of you have been on the Veterans Affairs committee for many years. I want to thank you and those who have come into the picture more recently, for your interest, for what you have done, for what you are trying to do, and I can assure you that you may count on our fullest cooperation.

I think, Mr. Chairman, if there are any questions or if any member of the delegation has something to add to what I have already said, that this might be the opportunity.

The CHAIRMAN: Colonel Baker, we certainly do appreciate your being able to be with us today, and the very fine presentation your organization has made to us, and the applause which you have received will indicate how pleased we are to have you with us, with the presentation you have made, and the attitude you have taken in these important matters on behalf of your comrades and ours.

Now, as Colonel Baker said, if there is any member of his supporting delegation who would like to add anything we would be glad to hear from him.

Then, are there any questions that any member of the committee would like to direct to the delegation?

By Mr. Goode:

Q. Mr. Chairman, I have not only one or two questions, but some comment. I would like to know how many members the National Council of Veterans Association in Canada represents throughout the country?—A. I have not the exact figure, but it would be about 90,000. The Army, Navy and Air Force Veterans would be the largest organization with some 70,000. The Canadian Corps Association has about 6,000 active members. The War Pensioners have about 7,000. The War Amputees have about 3,200. The War Blinded have 330. The War Paraplegics I think have about 250. I know of no paraplegic of the First Great War still surviving; these are all Second War.

Q. About 90,000 in toto?—A. Yes.

Q. At the bottom of page one you say: "We regret that your terms of reference do not include consideration of war veterans allowance."

The CHAIRMAN: Sorry I did not hear your question?

By Mr. Goode:

Q. I am going to comment on that. As a government member it is perhaps difficult to make an observation on this matter, but I think I should go on record and say that I not only agree with your mention of it, but the mention also made by the Canadian Legion. You mention on page three that a number of men have a disability total of 270 per cent or more. How many would there be?—A. We know of a number of specific cases that we can furnish the particulars on. I could not say off hand. I know personally of at least five or six.

Q. On page four and continuing on page 5 you make some comment regarding a veteran who dies while participating in the Veterans Land Act. Do you know that there has been some conversation in this committee on the matter of a widow being left with certain obligations under the Act, and you probably know of the answer that was made in this committee?—A. I have not heard, no.

Q. If you read the record you will find that Mr. Rutherford said to me that every consideration would be given to the widow, and that the contract would be carried on under certain circumstances?—A. Knowing the administrator of the Act I would expect that the fullest latitude possible that he could give under the Act would be given.

Q. With respect to hospitalization on pages 5 and 6, we in British Columbia are concerned about this, and if I remember rightly the department have written to the government of British Columbia to ascertain whether some system could be devised whereby some of these people could be taken care of on a joint scheme. We have hospitalization as you know in British Columbia

and if my memory serves me correctly the province of British Columbia were not interested at that time in cooperating with the federal government in respect of a joint scheme. I think I have that on my files and I think you should know that.—A. I appreciate that.

Q. With respect to this \$15 taken from a pensioner on entering hospital, I am not too sure—but I would like to know your views more fully—that you are on sound ground. There are reasons for this \$15 deduction, but the question I want to ask you is this: you make some comment regarding the fact that there is nothing in the Act that would allow the government to deduct that \$15. Is that right?

JUDGE McDONAGH: In respect to the treatment regulations, may I read to you section 31:

Subject to section 34, an allowance may be awarded in an amount which, when added to any pension and any award under paragraph (a) of section 12 or under section 21 of the Pension Act, but excluding any addition to such pension for blindness, will equal the amount of the pension for 100 per cent disability less, while an in-patient a deduction at the rate of \$15 a month.

That is in the Order in Council for treatment regulation.

By Mr. Goode:

Q. I expect that some of the members of the committee will wish to ask you further questions. I do not want to take all the time.—A. It used to be \$1 a day.

Q. You will remember that the Canadian Legion brought forward some views in respect to their administrative difficulties with the Canadian Pension Commission. You mention on page 8 that the co-operation given to you by the Canadian Pension Commission has been very fair. I think those are your words. Have you any of these cases where the Canadian Pension Commission have not entirely co-operated with the National Council.—A. I think our experience is frankly summarized in our statement there. Now, we realize that in any administration that you can develop an argument over a case, and I can assure you that most of these cases—I looked over the legion cases and I do not recall that we have any outstanding cases of that character. They are all in the disease classification. I can understand how even the Canadian Pension Commission might be stymied a bit on the omychomycosis case because that is a disease common to Central Africa among the natives. When that point was brought out that this chap had been in Central Africa it is understandable that such a condition would be possible. But, we have not frankly any outstanding cases of that sort because when we have a case of that sort we sit down across the table and discuss it and we do not get into a dogfight over it.

Mr. GOODE: I have no further questions, but before I resume my seat may I compliment you on a very fine brief.

The WITNESS: Thank you.

By Mr. Nesbitt:

Q. I have one question in view of the remarks. What would be the number of cases, of those that would appear to be a concern of the Canadian Pension Commission, that the National Council of Veterans Association in Canada would handle as compared with the number the Legion would handle for instance?—A. I would say generally speaking it probably would not be more than 5 or 8 per cent. You see our cases generally speaking are the more serious wound cases or serious conditions which bring them into our seriously disabled category. I know in cases of the blind we have had rarely a case

where there was any particular difficulty. I think that probably the legion would have a much greater bulk and would be very likely, with their many branches across the country, to come into contact with a good many borderline cases.

Q. Do any of the organizations on behalf of whom you speak have service bureaux?—A. Yes. The army and navy has two bureaux agents. The War Amputations have a service bureau officer in each of their 17 branches across the country. Each have their pension adjustment officers. In our war blinded group, of course, every office of the institute across the country—some 30 odd reception centres—have representation and then we have a permanent committee which keeps in touch with all the group. There is fairly constant contact.

Q. One further question. Would you not think that it would be reasonable to expect in view of the very much larger number of cases that the legion handle that they might run into, as a natural consequence, more administrative difficulties because of that than possibly your organizations?—A. Well, that would be a reasonable presumption on the basis of the law of averages. But, much depends on the approach. We have never believed in attempting to force the administration to make a favourable decision unless we could convince them by reasonable argument. Now, as I have remarked before, in a large organization there is a well known fact that anyone who has had to do with administering the large number of people across an expanse such as the breadth of Canada and at long range that there may be dislocations enroute. That is conceivable. It is human to err, and it would seem to me that most of the errors have been corrected and attempts made to relieve hardship as far as the Act would permit. I think there is no reason that I can see to attack an administration because they have not yielded without proof.

Q. But from your remarks are we to gather that you consider that other veterans organizations do not always use the best methods?—A. I am not charging anybody. If the shoe fits it is available.

Mr. NESBITT: I am surprised to hear that.

The CHAIRMAN: I do not understand what you are surprised at.

Mr. JONES: I would like to commend Colonel Baker on a very excellent and very modest brief, and I see no reason why most of it could not be complied with. But, I would point out in view of the fact that every organization that has appeared before this committee has referred to the veterans allowance that that should be clarified. I have received several wires in the last two or three days on that same point requesting that this committee be enlarged, or its term of reference be enlarged to include veterans allowance. I think that if it were left to the committee that practically every member of the committee would be in agreement with that. Therefore, it should be made quite clear that this committee has no power to deal with that particular subject although most of us feel that it should be dealt with.

On page 8 there is a definite statement which I think should be clarified while the committee is here today. It is: that the deduction of \$15 from veterans in hospital is illegal or is beyond the constitution of the Act. I would like that clarified either by members of the government or members of the pension board or whoever is capable of doing it.

Judge McDONAGH: You were dealing with page 7 I believe. Down at the bottom of page 7 we say that any such regulation passed under the provisions of the Department of Veterans Affairs is inconsistent with the intent of the provisions of the said Act and is repugnant to the provisions of our veterans' legislation commonly referred to as the veterans' charter. Now, that, of course, will take a little bit of research. You will have to go back

to the Interpretation Act which deals with the matter of Orders in Council and Orders in Council cannot be repugnant to or inconsistent with the Act under which they are passed. Now, take the case of the man who goes into hospital for his pensionable disability, say he has a leg off and goes in for treatment of the stump. He is given hospital allowances under the regulations which are supposed to be the equivalent of 100 per cent pension and then under the regulations \$15 is deducted. In other words, he is charged \$15 a month out of his hospital allowances which are the equivalent of pensions of treatment of a condition of stump which he received on active service. I would suggest—I have not the Interpretation Act here with me—but I suggest that the Interpretation Act would have to be looked at and I also suggest that our suggestion is in accordance with the terms of the Interpretation Act of Canada.

THE CHAIRMAN: Any other questions? Mr. Enfield?

MR. ENFIELD: First I would like to congratulate Colonel Baker and Judge McDonagh on their presentation of this brief. I am very glad to see this principle expressed in the brief on page 6 and I would just like to comment on it. It says: "If the government of Canada and the Department of Veterans Affairs have definitely concluded that the Canadian economy cannot face this issue and provide free treatment for non-entitlement conditions of the major casualties of the two great wars, constituting after deduction for those otherwise covered, less than one-third of the total number of surviving casualties, then we would respectfully suggest that the Department of Veterans Affairs be authorized to work out a medical insurance and hospital policy designed to cover all war disabled veterans and permit the veteran in the group to subscribe or authorize deduction from pension payments due." I think we are facing up to the problem—which we always have done—that we are justified in spending the taxpayer's money, and if not we are given an alternative here, and I think if that principle were expressed in more of these briefs I would certainly be happy to see it, because if you feel that your responsibility to the taxpayer does not allow you to carry out something at least you have an alternative to work on. Now, specifically speaking I am not quite clear on the reference to section 36 subsection 3(a) and section 74 subsections 1(a) and (b) of Bill 339. Now, if I had more time I could read this, and the bill, and probably clarify it, but could Colonel Baker or one of the members of the delegation say just what problem section 36 of the old Act and section 74 are endeavouring to cover? Just what are the confusions and the hardships which you mention result from those sections and just how will the new amendment that we have here in section 11 of the new Act affect those old sections?

THE WITNESS: I think, Mr. Chairman and gentlemen, in answer to this question that the hardships are fairly obvious. You see, what happens in our experience is that as soon as a new deadline is set these fellows who take a notion to get married—I take it that is normal and to be expected—they do not plan their marriages in line with these deadlines and the girl is not ready and the chap is not quite ready and they usually turn up with a few more cases a month or two after the new deadline has been set. Then they go along—very often there has been a lot of publicity about this in veterans ranks—and frequently to this chap's surprise he is not eligible for an allowance for his wife and if there is a child born he is not eligible for an allowance for the child. If he were married before and has children by the first wife, they are on allowance, but the children of the second wife are not, and that does raise questions and implications for those who are not familiar with the

circumstances. As I recall it, these allowances are not made retroactive when the deadline is moved. I do not know whether the chairman of the Canadian Pension Commission is present—I think he is.

The CHAIRMAN: Yes he is.

The WITNESS: He could answer that question. It means that since the last move of that deadline—it is two years and nine months or something—two years and 8 months. Now, it does provide some hardship, and yet we recognize that in the early days coming before the committees here I recall when there was no allowance or widow's protection for men who were married after the appearance of the disability and hence there was considerable hardship and it took a lot of argument to get that straightened out. This deadline does not effect men of the second war, only men of the first war. The original argument was—we were taken back to the civil war in the United States, and the problem that arose there with men of 80 marrying girls of 18 and then leaving them on pension for many years to come. As a matter of fact, in that connection I knew of a widow in Toronto who had married an old civil war veteran when she was a young girl. She evidently was married twice afterwards and apparently their law permitted her to draw that widow's pension as a result of her first marriage, and throughout the duration of her two subsequent marriages and finally as a third time widow she died at the age of 85 and up to that point she was still drawing widow's pension. We are not suggesting that—we have no part of parcel of that racket—but we do feel that there is something of a hardship here and we still feel that it could stand correction.

By Mr. Jones:

Q. I would like to get your reaction to the statement made on page 5. You deal with the veteran who dies without completing his 10 years of occupancy. Yesterday there was a bill before the House giving certain benefits to widows in the case of civil servants and for \$24 a year they will be covered for \$5,000. in case of death. I was wondering if in the case of a veteran purchasing a house or farm if some similar policy could not be included in the payments. In this case we will say an average of \$5,000 for the maximum loan— $\frac{1}{2}$ the maximum for the full period—for \$2 a month he could be fully covered, and the widow could get title to the property. Would your reaction to that be favourable?—A. What would happen to the conditional grant in that event?

Q. Of course, I have not gone into it fully. I am merely suggesting some insurance clause be included and that would even take care of that grant as well—it could be worked out.—A. If some equivocal arrangement could be insured I am sure it would have our support.

Judge McDONAGH: Perhaps I could answer that. I have had some experience with the Veterans' Land Act. I think at the present time—and I stand to be corrected—there is no provision in the Act whereby the director can allow the conditional grant to be given to the widow and it is something like that we are seeking to bring to your attention so it could be corrected. We gave this some thought, and you take a man who has lived on the property for 8 years, as he could, since 1945. He lives for 8 years and then dies. Two years more and that conditional grant of say \$1,200 or \$1,400 would have been his, but he dies and the widow does not get any benefit from that at all. Now, the director has that in mind, and whether it needs an order in council or regulation I do not know, but to the men of the second war who have been on property for 6 or 8 years, it is rather important.

The CHAIRMAN: If the widow completes the contract she gets the grant.

Judge McDONAGH: I do not think there is any power under the Act whereby she could get it.

The CHAIRMAN: I was positive in my mind that if the widow completes the contract, she gets the grant.

Mr. HARKNESS: That is my understanding; if the widow completes the amount of payment due she gets title to the property. Brigadier Rutherford could tell us that.

The CHAIRMAN: I see that Mr. Rutherford, Director of V.L.A. is here. Perhaps he could tell us definitely about that.

Mr. RUTHERFORD: If the man dies the widow has the option of taking over the property on the same condition. It is frequently done. She could get an absentee permit for two years and could take the title without living on the property but she could not sell it.

Judge McDONAGH: I am not clear in my mind—does she take over as a civilian purchaser or does she get the benefit of the grant?

Mr. RUTHERFORD: She takes over in the veteran's place and get the grant.

The CHAIRMAN: Did you have a question, Mr. Hanna?

Mr. HANNA: I was just going to ask if the director of the Veterans' Land Act could positively state that the widow could get title and he has already answered that question.

By Mr. Green:

Q. I would like to ask one or two questions. On page 3 of the brief we find a statement concerning the deadline and then in the last sentence of the submission we find this statement: "Our original formula of five years of married life or one child born in wedlock might even be enlarged by or supplanted by a limitation of not more than 20 years age differential between the veteran and his wife." Now, are we to understand from that that you think this situation could be met by making three different classifications: (1) that if the veteran had been married for five years, he would be covered automatically, (2) if he had a child born in wedlock he would be covered, and (3) if he married a woman who was not more than 20 years older than himself, he would be covered?

Mr. HARKNESS: 20 years younger than he is.

By Mr. Green:

Q. Yes, younger. Is that what you mean by that? It seems to me that some of these are pretty strict rules too. A man would have to be married for five years. That would automatically disqualify quite a number of them who have married in the last year or two, for example, and they certainly might not have any children, and then if the veteran is going to be bound down about the age of his wife he would be disqualified if he married a young woman who was 21 years his junior. It seems to me you substitute one set of limitations for another.—A. Well, we thought if the deadline could not be eliminated then we would suggest conditions which were possibly not more onerous but would relieve the situation while protecting the government from the fear long held of deathbed marriages. As a matter of fact, curiously enough, in 1929 when this deadline was originally set up, I remember the first case, as I recall it, of a widow who was married to a chap who had a fairly rapidly progressive condition. She was married to him, if I recall correctly, about the first of December, 1929 and he died about the 29th of December, 1929 and under this deadline arrangement she became eligible for widow's pension on the 1st of January, 1930. It was quite unexpected as far as we were concerned, or at least as far

as the government was concerned, in accepting that deadline principle, but it certainly proved our point that that deadline as such did not prevent deathbed marriages.

Q. No, but we have had this up, I think, on every veterans affairs committee and it has always been my understanding that the committee has met the situation in every case by extending the deadline, and the thinking behind the deadline, of course, was that there might develop a situation such as developed in the United States, after the civil war. Is it not a fact that so far as the committees of the House are concerned they have met this situation completely? I take it from your statement today, that you feel some cases had not been covered and if that is so, I am very worried about it.—A. If I remember correctly, the last cases of marriage which occurred since April 1st, 1951, have waited their two years and 8 months, or whatever lesser time it was since they were married, with no certainty of ever being covered. I do not think there is any implication here that it will always be extended.

Q. Do they not get any retroactive payment?—A. The chairman of the Pension commission could answer that. I do not think they do.

Mr. MELVILLE (*Chairman of Canadian Pension Commission*): I understand Mr. Green's question is this: when the deadline comes into effect and a World War I veteran has married prior to the deadline, does he get a retroactive payment? He does not. In each instance when the Act has been amended the amendment as such becomes effective—I think the first one was the first of May, 1933—and then the first of May, 1948 and the first of May, 1951, but it is not retroactive.

By Mr. Green:

Q. Then are we to take it that in each case of the extension of the deadline there are veterans who lose out?

Mr. MELVILLE: No, there are no veterans who lose out unless they marry after the deadline, but if they marry between the current date line—and suppose we establish a new date line this year—and they marry in that interval, the pensioner is entitled to additional pension for his wife.

By Mr. Green:

Q. In effect then some of them are losing out each time?

Mr. MELVILLE: Yes, between the advancement of the date line.

Mr. GREEN: I would hope something could be done to meet that.

The CHAIRMAN: The actual provision is section 36, subsection 3(a): "...if the marriage took place between the 30th day of April, 1948, and the first day of May, 1951, no payment shall be made for any period prior to the first day of May, 1951." In other words, if the marriage took place sometime in 1950 and when the deadline was extended they could pay the widow a pension from the first of May, 1951, but they could not date it back to the date of marriage. It would start as of the new date line.

Mr. GREEN: I am sorry to hear that. I thought it always provided that they were covered throughout and it was simply a matter of bringing up the question of the deadline periodically, but I did not know anyone was suffering. Apparently there are cases where they are losing out.

The next question has to do with the submissions concerning multiple disabilities. In the last sentence of this submission you say: "We bespeak for men in this group every consideration that can be devised to make the restricted life and living conditions permissible as secure and comfortable as possible." Now, that does not seem to be a very definite recommendation for action. Do you have any suggestion as to the way you would like to see that done by legislation or regulation?

The WITNESS: We have discussed this among ourselves as to what could be done and I must admit that between what the government have found it possible to do and the condition which some of these individuals face and experience in trying to live or continue to live, there is quite a gap for some of these chaps. As a matter of fact, I think soldiers among themselves develop a philosophy and few of us would change places with some other chap who we thought was worse off than we are. I know we all feel very sympathetic towards and sorry for some of these cases because the interference is not only with any form of employment activity, but it reaches back into their social, recreational and home life, and in some of these cases the mere duration of life is just a prolongation of the misery. Personally, I think it would take a Solomon to solve that problem, but we would like to see every consideration given to these chaps. You have gone a long way, of course, through the helplessness allowance in realizing that for those who need attendants or who are unable to take care of creature wants, but it is pretty tough on some of these chaps. I do not know whether helplessness allowances can take care of some of these cases. Brigadier Melville and his commission have been up against this for years, and we too, and if you like, we were expressing the pious hope that any solution that could be found or any additional assistance that could be given would be a boon to such as these.

Mr. GREEN: I think you are more of a Solomon than any of us on this committee, and we have always been very sympathetic towards these cases, but it is going to be very hard for us to figure out any action or change which we could recommend if you folks have not got some specific suggestion.

The WITNESS: We will be happy to discuss it with Brigadier Melville and some of his experts who probably have an even more thorough knowledge of the number and varieties involved and I assume that before this committee makes its report it will have Brigadier Melville available for discussions and if he can offer any suggestions I can assure you we will give them very serious consideration.

The CHAIRMAN: While you are on your feet, Colonel Baker, is there any provision in the legislation of any country that you know of for giving an extra pension over and about 100 per cent disability allowance to cover to some extent loss of enjoyment of life?

The WITNESS: At the moment I cannot put my finger on a definite legislation in any other country. I am not quite clear as to the interpretation of the American legislation in such cases. Theirs, to me, is somewhat complicated.

Judge McDONAGH: I think they have some provision in the United States.

The WITNESS: I think they have, too, but I was not sufficiently clear on it to state it definitely.

Mr. W. DIES (*Sir Arthur Pearson Association of War Blinded*): Could I speak for a moment? I have had some difficulty following what is going on here just because of this very subject you are discussing now. The acoustics are not too good in this room, and I apparently am in a poor location to hear what is going on, but I gathered that you are talking about multiple disabilities.

THE CHAIRMAN: That is correct.

Mr. DIES: On another occasion here I rose to remind you gentlemen—kindly, I hope—that you cannot compensate for these disabilities. I must reiterate that. They cannot be paid for in dollars and cents. You can do your best and you have done very well in the past. Now, it seems to me that on the occasion of our last visit here we dealt with the subject of multiple disabilities and came up with the suggestion which Colonel Baker may have forgotten at the moment, along the lines that you might accept the responsibility up to 150 per cent of the multiple disability. That is, if the disability

was 200 per cent, then you might accept 50 per cent over the 100 per cent. I think we have a resolution in our brief and that is our suggestion. I believe it was Mr. Green who was talking about this and that section of the brief might answer his question. I think most of the disability group would go along with that idea. I am sure they would because in our national council we passed it. I just wanted to put that in because it occurred to me that possibly Colonel Baker and Judge McDonagh might have forgotten it.

THE WITNESS: I had that in mind and you will recall, gentlemen, that you and the pension commission very kindly altered this system of assessment of disabilities, if I remember correctly, in December 1947. Prior to that time it was a successively reducing rating for the multiple disability case. If the 70 per cent leg amp. had an eye out which was rated at 40 per cent, that 40 per cent was taken on his remaining 30 per cent and it became 12 per cent. If he had an injury which was rated as 25 per cent, it was taken off the remaining 18 per cent and so on and in that way no one could ever become a 100 per cent multiple disability case. He could only reach 100 per cent through infinity and he would have to be darn well trimmed up. We suggested the only fair way was to assess each disability and add them up and wherever the total exceeded 100 per cent he could at least get the 100 per cent. We go along with the further resolution Mr. Dies mentioned where if it exceeded 100 per cent there might be an allowance on half of the excess over the 100 per cent, because someone tried to tell us no man could be more than 100 per cent disabled. Actually, if I remember correctly—Brigadier Melville can correct me—I understood that the 100 per cent is assessed on the ability of the veteran to operate in the common labour market. Now, I think I am correct that that is the basis of our pension. These disabilities we are referring to interfere not only with employment in the common labour market, but in any other labour market we have heard of and even reach into the social, recreational and home life of an individual with all the inhibitions.

By Mr. Green:

Q. Is the national council standing behind this suggestion today that there should be allowed one-half of the excess over 100 per cent?—A. We would stand behind that if there is no better solution.

Q. Mr. Dies said something about 150 per cent. I am not sure how that comes into the picture.—A. That is in relation to the 200 per cent cases.

Q. Your submission is that where the multiple disability brings the man to over 100 per cent that one-half of the excess over 100 per cent should be allowed?—A. It would be in effect a comfort allowance.

Q. I know, but you are asking for one-half of the excess over 100 per cent?—A. Yes.

Mr. GOODE: I am interested in trying to get a breakdown of the position of the Canadian Pension Commission. I would like to know from Brigadier Melville the extent of the operations over the last five years. I want to know how many pension cases they have had, how many were granted and how many were turned down. If you will just ask Mr. Melville, I would like to have it put on the record.

Mr. MELVILLE: Following the meeting on the 19th of May, Mr. Goode asked me if I would furnish certain statistics governing decisions rendered by the commission over the past five years. I addressed a letter to him and with your permission I would like to read that letter because it contains the information:

2, Ontario,
May 20, 1954.

Thomas Goode, Esq., M.P.,
House of Commons,
Ottawa 4, Ontario.

RE: PENSION ACT

Dear Mr. Goode,

In response to your request of yesterday's date, the following gives the number of decisions rendered by the Commission on Injury or Disease and Death over the past five years, namely, 1st April, 1949, to 31st March, 1954:—

<i>Disability</i>		<i>Granted</i>	<i>Not Granted</i>	<i>Total</i>
<i>Injury or Disease</i>				
World War I	3,628	7,310	10,938	
World War II	24,498	28,516	53,014	
*Special Force	1,533	667	2,200	
Total	29,659	36,493	66,152	
<hr/>				
<i>Deaths</i>				
World War I	1,275	16,069†	17,344	
World War II	1,469	4,521	5,990	
*Special Force	19	10	29	
Total	2,763	20,600	23,363	
Grand Total	32,422	57,093	89,515	

* 1.11.50 to 31.3.54.

†May I interpolate there and state the reason there are so many decisions which are not granted for World War I deaths is that we are called upon to rule on practically every death for World War I which is brought to our attention. It affects other matters, the erection of a headstone, Returned Soldiers' Insurance, and so on. I closed my letter with this observation:

"It is probably pertinent to observe that for World War II claims from these former members of the Forces who served in a theatre of actual war, approximately 70 per cent of all applications were granted."

Mr. QUELCH: Mr. Chairman, I would like to refer to page 5 of the brief. The recommendation on that page reads: "That war disability compensation cases in classes 1 to 11 be afforded treatment without charge by the Department of Veterans Affairs for non-entitlement conditions." Then on page 7, commenting on that, you say: "It is our opinion that the people of Canada think that the seriously disabled in classes 1 to 11 are now entitled to treatment at anytime for any condition from which they may suffer, regardless of entitlement." Well, I do not think there is any doubt but what the people of Canada do believe that and I will frankly admit I am not at all sure in my own mind as to just how far this entitlement goes. It is correct, is it not, that any veteran of the first world war who is indigent is entitled to free hospitalization for any condition he may suffer from? The definition of indigent used to be \$1,000 or less. Is it higher now?

The CHAIRMAN: Perhaps Mr. Burns, the deputy minister, could best answer that.

Mr. BURNS: The definition is rather complicated and it is rather hard to give in a few words. There are conditions attached to the amount of readily

realizable assets the veteran has and also the amount of income, but roughly speaking the critical amount of income is \$1,200 a year when married and the pension is only counted in that to the extent of 75 per cent.

Mr. QUELCH: Does that apply to the veteran of World War II as well as World War I?

Mr. BURNS: Yes. The veteran must be a pensioner or have had service in an actual theatre of war.

Mr. QUELCH: In this brief you are asking that the veterans who are seriously disabled and who are suffering disability which may not be connected with war service should be entitled to free hospitalization for their disability. I am just wondering how the decision is arrived at in certain cases of serious disability. For instance, where a man is an amputee and has lost a leg perhaps, and is crossing the road and gets run into by a car, would he be entitled to free hospitalization then on the grounds that the accident was in part attributable to the fact that he is an amputee?

The WITNESS: That would be very much of a question. We used to bring that up time after time on the question of "consequential injury" or disability that might arise—in our opinion—because of the war disability he already carried and we find it very difficult to ever establish that. Coming back to this question of who might be eligible, if something happened to Mr. Dies one day, unless he could prove that it was due to war service, he would not be entitled to treatment in spite of his multiple disabilities of hearing, total loss of sight, and the loss of his right arm.

Mr. QUELCH: I quite agree I do not think the public of Canada realizes this for one minute. I think the vast majority of people are of the definite opinion that all seriously disabled pensioners are entitled to free hospitalization upon incurring a further disability no matter from what cause.

The WITNESS: If a man has had war veterans allowance he gets his hospitalization free.

Judge McDONAGH: But if he has saved a few dollars he doesn't.

Mr. CAVERS: In regard to page 7 of the brief, could the committee be told what amounts are derived each year from the treatment allowances which are paid by pensioners?

The WITNESS: \$15 a month.

The CHAIRMAN: Have you any figures on that, Mr. Burns? The question has to do with the deduction of \$15 per month while the pensioner is undergoing treatment in a hospital, and the question was: what is the total amount collected under that heading?

Mr. BURNS: We did calculate that, Mr. Chairman, at one time, and my recollection is that as far as the married pensioners alone were concerned it was \$650,000 a year.

Mr. GREEN: Could we have an explanation from Mr. Burns as to the reason for these deductions?

The CHAIRMAN: Could you give the committee the background of this?

Mr. BURNS: May I suggest that the chairman of the Canadian Pension Commission could perhaps give a better resumé of the history of this deduction than I could.

The CHAIRMAN: I think the committee would like to hear it.

Mr. MELVILLE: Gentlemen, I hope I can help you. Going back many years, pension was suspended when a pensioner was taken to hospital for treatment for his pensionable condition. It was suspended on the date of his admission. He then became entitled to hospital allowances because when he was in hospital he was being treated for his pensionable condition.

The hospital allowance was equivalent to 100 per cent pension less \$30 per month for maintenance and the amount is now \$15. That system continued in effect until 1946, in which year the Pension Act was amended and one of the amendments had this effect—and the arguments were very favourable, let me say—that pension should be continued at all times to pensioners irrespective of his admission to hospital.

If he was a 10 per cent pensioner he got his 10 per cent pension. He knew it was coming in every month. And if he was a 50 per cent pensioner, the same situation applied. When he goes into hospital his pension is supplemented by hospital allowances equivalent to the 100 per cent scale; and that is what has happened; it is in effect at the present time.

Mr. GREEN: From that 100 per cent pension you take away \$15 a month. Why?

Mr. MELVILLE: Because of the regulations which Judge McDonagh read, whereby \$15 is deducted from all patients in hospital who are treated for pensionable conditions, but only the 100 per cent pensioner will have \$15 deducted from pension. The 90 per cent pensioner will have very little deducted from his pension.

Mr. GREEN: Apparently they say that no matter how small the man's pension may be, when he went into the hospital he was certainly 100 per cent disabled then. So, by way of hospital allowance, you raised his pension to 100 per cent. That seems to be perfectly reasonable. Now, on what basis do you take away \$15 a month from that 100 per cent pension?

Mr. MELVILLE: You mean the basis on which it was done? We do not take it away; the deduction is made on this basis. Let us say a single man goes into hospital. His maintenance is provided for him during his period of hospitalization. Now, \$15 is deducted. In the case of a married man going into hospital, his maintenance is provided for him and a deduction is made from his allowance which is in excess of that of the single man.

Mr. GREEN: What is the deduction made in the case of a married man?

Mr. MELVILLE: \$15 a month.

Mr. MACDOUGALL: Is it not right to conclude, with this deductible allowance, that the pensioner, whether married or single, and who is over and above, let us say, a 50 per cent disability—that the beneficiary gains rather than loses from your allowance? Is that right?

The CHAIRMAN: In other words the position seems to be that the pension is paid partly to enable him to provide himself with a living. He is getting his meals in the hospital and the \$15 is taken to cover that. Is that what I understand?

The WITNESS: That was the theory.

The CHAIRMAN: That was the basis of it. But there is one thing I am not clear about. If a person was drawing a 10 per cent disability, then is it correct that nothing is deducted from him?

Mr. MELVILLE: Let us say he is a 10 per cent pensioner and he is admitted to hospital for treatment for his pensionable condition. He is entitled today to what are called treatment allowances; the 10 per cent pension is supplemented to the equivalent of a 100 per cent pension, less \$15 per month.

The CHAIRMAN: Are there any further questions?

By Mr. Green:

Q. I would like to ask the witness, Colonel Baker, one question, and to illustrate my question by a case which I ran into myself, where a veteran lost an arm; it was taken right out to the socket, a complete removal.

Apparently in a case of that kind there is a ceiling on the pension for which he can qualify. No matter how old he gets, he can never qualify for a 100 per cent pension?—A. That is right.

Q. He may reach a position physically where he is naturally unable to do anything, and yet there is that arbitrary rule that he can get only—A. Only 85 per cent.

Q. Yes, only an 85 per cent pension. Do you run across many cases of that kind, and if so, what recommendations would you make in regard to such cases?—A. I am not clear that there is anything that can be done for a case of that kind, Mr. Green. Under present circumstances, we have run into several cases. I think one was that of Harold Macdonald who used to be chairman of the pension committee; was he not out at the shoulder?

Q. Have you any suggestions with regard to cases of that kind?—A. Well, I think at the moment, sir, that I would have to consult with the war "amps" and the department. I have not any suggestion at the moment.

The CHAIRMAN: Would the representative of the War Amputations like to comment on that question which was brought up by Mr. Green?

Mr. ALLAN BELL (War Amputations of Canada): Mr. Chairman, the main objection we have to the deduction from the hospital allowance is that it appears that when you are hospitalized for treatment for a pensionable disability your pension is increased and you do, in fact, receive a greater amount. But, on the other hand, \$15 is taken away and we feel that it should be removed. That is our recommendation. I am not clear what the allowance is for, whether it is for room or for board, or what it is; but I suppose it has something to do with board and we feel it should be removed.

The CHAIRMAN: Mr. Green asked about a person with a disability, which, on account of increasing age became more of a disability than when he was younger. He wanted to know if you ran into many cases, where the disability was on account of an amputation, and where because of advancing age it became in fact a total disability. Have you run into many cases like that? Perhaps if you would come up to the front of the room the committee might hear you better.

Mr. ALLAN BELL: As you repeated it, sir?

The CHAIRMAN: Yes.

Mr. ALLAN BELL: Well, Mr. Chairman, in our experience, or speaking from my experience of leg amputations, certainly the disability has increased with age, and there are what we think are relative disabilities which create some of the problems that we are fighting all the time. The disability we have found, in the case of a leg amputation or any amputation, is that it certainly increases with age, and it is harder to carry on or to carry on one's daily living. I do not think that anybody would disagree that it does not increase with age. We have all found that to be the case. It is not as though we are just getting older and slowing down normally. We are slowing down a lot faster than we would normally, we think, and we have good reason to say that.

The WITNESS: I do not recall just what Mr. Green was driving at in his question, but I would say that in 1937 there was provision made to recognize, in addition to cases of gunshot wounds, cases including amputations, and to recognize increasing disability with increasing age for that group who are pensioned in the area of 50 to 70 per cent inclusive. The arrangement was that upon reaching the age of 55 years, with 50 per cent cases, for instance, with a leg off just below the knee, and becoming less agile, they would receive a 10 per cent increase; and on reaching the age of 57, they would receive a

further 10 per cent increase; and upon reaching the age of 59, they would receive their final increase up to the level of 80 per cent. The 60 per cent case could not be increased twice.

The 70 per cent case would get one increase to 80 per cent; and in the case of an "amp" starting at 80 to 85, he would receive no increase, so in a way he was worse off.

Mr. GREEN: Why was he not covered in the increase?

Judge McDONAGH: This is covered by "routine instruction No. 66" of the Pension Commission and it was discussed when your chairman, Mr. Tucker, was also chairman of the committee in 1948. Mr. Tucker made some interesting observations at that time about medical cases going up for "boards" when they got over 60 years of age.

Mr. W. DIES: We recognize age as a factor for a man who has served his country under the War Veterans Allowance. And I think the government should do something for us pensioners. I am thinking about the older ages and when the disability is due to 10 per cent. In 20 years, I say, why should it not go up? I do not know why the 10 per cent should not go up to 100 per cent on the same basis at it would under the War Veterans Allowance Act, and I think that principle should be recognized now.

Mr. GREEN: I wonder if we could have a statement from Mr. Melville.

The CHAIRMAN: Perhaps you might explain those regulations for the benefit not only of the several new members of the committee but for older members whose recollection may have become a bit hazy. This increase is limited as I to call it to gunshot wounds and to 80 or 85 per cent. Perhaps you might just explain the situation to the committee?

Mr. MELVILLE: It is a rather interesting bit of history, gentlemen. In 1938 The War Amputations of Canada had a convention in St. John, New Brunswick. The Pension Act at the time provided that the widow was pensionable upon her husband's death, if it was attributable to his service. There was an added provision in the Pension Act whereby the widow was pensionable, when pension was in payment to her husband, in classes 1 to 5, that is from a 100 to an 80 per cent pension. The majority of amputation cases were in receipt of awards of 50, 60, 70 and 80 per cent, and those below 80 per cent were anxious to qualify within pension classes one to five. It was realized by this time, 1938, that with the advance in years, the amputation imposed a greater disability, and yet in all cases they received what was known as a fixed assessment. One amputation case of advanced years might seem to be slightly handicapped, whereas another with the same amputation was much more so. The Table of Disabilities, which the Commission is required to maintain under Section 28 of the Act, was amended, and provision was made for automatic increases of pension for amputation cases and gunshot wound cases whose assessment was 50 per cent or more. In the case of a 50 per cent pension for amputation, a 10 per cent increase would be given at the age of fifty-five, a further 10 per cent at the age of fifty-seven, and another at the age of fifty-nine, thus bringing the assessment to 80 per cent. In the case of a 60 per cent amputation, he would receive one increase of 10 per cent at the age of fifty-five, and another of the same amount at the age of fifty-seven, thus bringing him to 80 per cent. The 70 per cent pensioner receives one increase at the age of fifty-five, thus bringing him to 80 per cent.

The Table of Disabilities was so amended in 1938. In 1939 the Pension Act was further amended whereby when the pension was in payment at the rate of 50 per cent or more at the date of death the widow was pensionable irrespective of the cause of death of her husband.

With regard to Mr. Green's case, he quotes an assessment of 80 per cent. I think this assessment of 80 per cent corresponds favourably with the assessment paid under any Compensation Board, and with the assessment paid in any country so far as I have been able to establish from my study of assessment records.

Mr. GREEN: That means that an 80 per cent disability has never been able to get any automatic increase?

Mr. MELVILLE: That is right.

JUDGE McDONAGH: The War Veterans Allowance Act said it was for the man who has not been successful in maintaining employment. The same type of service has been granted now under the principle of aging which is applied under the War Service Allowance Act.

By Mr. Balcom:

Q. Is it generally admitted that an amputation case could die from some disease that has resulted from his inability to move around the house due to his amputation?—A. There are certain conditions which in the case particularly of leg amputations may arise in the muscles of alignment and the spine due to balancing on an artificial leg; and also there has been a very persistently held and strongly felt impression among war amputation cases in Canada that there is a definite relationship between particularly "high-leg" men and war conditions, and certain other organic disturbances because it is an extreme effort for a chap with a "high-leg" amputation to operate on crutches or on the leg under unfavourable conditions such as hill-climbing or stair-climbing, slippery conditions and so on.

The CHAIRMAN: The Minister of Veterans Affairs (Hon. H. Lapointe) has had to leave. He was in the room during a good part of the presentation by Colonel Baker and his delegation; but the minister told me that he had to attend a cabinet meeting this morning because there were a number of matters coming up which had to do with veterans. He regretted that he could not remain with us but I know that he was here for a great part of the time, and heard most of your presentation to the committee. Are there any other questions?

Mr. GREEN: I would like to move a vote of thanks to Colonel Baker and to Judge McDonagh and the others. (Applause).

The WITNESS: May I, on behalf of our delegation, express to you and to the members of the committee our appreciation of your very kind reception. Thank you, gentlemen.

The CHAIRMAN: Thank you, Colonel Baker. It is one of the pleasures of sitting on this committee to meet with you and your colleagues when you come to make your submissions.

Now, gentlemen, I do not know whether at our next meeting the minister will be able to make a statement in regard to bill 82. I have not been able to talk with him since his attendance at the cabinet this morning. I do not know whether he will be able to discuss this matter or not.

Several members of the committee have indicated that they will not be able to be here on Friday and there was the question of not sitting but I suggested that in order to save as much time as possible that on Friday we might take up bill 82 and have the minister make a statement on it if possible. Then we might take up the Pension Act and have a statement from Mr. Melville on it, and if there were any contentious items we could let them stand until the meeting next week. We could first deal with the matters

on which there was unanimity on Friday, in regard to bill 82, and after hearing a statement from Mr. Melville, we could go through the Pension bill and pass the items that were not contentious. Anything that was contentious could be left over until the next meeeting. In that way we could take advantage of Friday.

Mr. GREEN: Will they be coming back on Monday?

The CHAIRMAN: I understand that they will.

Mr. GREEN: Then what about bill 101? There was one section left to stand.

The CHAIRMAN: Bill 101? I think the minister will be able to make a statement on it too, or at least I hope he can and we might be able to clear it up tomorrow.

I do appreciate very much the cooperation everybody has given in regard to the sort of jumping back and forth, in dealing with these bills, but it was due wholly, as the members know, to our desire not to make any final decision on any bill until we had heard from Colonel Baker and his associates. Now we will be in a position to go right ahead.

I do appreciate your cooperation and if it is satisfactory, we shall now adjourn until tomorrow at 11 o'clock.

The committee adjourned.

Canada, Veterans Affairs, Special
Committee on 1952/54

HOUSE OF COMMONS

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First Session—Twenty-second Parliament

1953-54

SPECIAL COMMITTEE

ON

VETERANS AFFAIRS

Chairman: W. A. TUCKER, Esq.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 6

FRIDAY, MAY 28, 1954



WITNESSES

Mr. G. L. Lalonde, Assistant Deputy Minister; Mr. P. H. Parliament, Director General of Welfare Services; Mr. W. Gordon Gunn, Q.C., Director of Legal Services, of the Department of Veterans Affairs; Mr. J. L. Melville, Chairman Canadian Pension Commission.

REPORT TO THE HOUSE

The Special Committee on Veterans Affairs begs leave to report the following as its

FIRST REPORT

Your Committee has considered Bill 82, An Act to amend the War Service Grants Act, and has agreed to report same with an amendment.

All of which is respectfully submitted.

WALTER A. TUCKER,
Chairman.

MINUTES OF PROCEEDINGS

House of Commons, Room 277,
FRIDAY, MAY 28, 1954.

The Special Committee on Veterans Affairs met at 11.00 o'clock a.m. The Chairman, Mr. Walter A. Tucker, presided.

Members present: Messrs. Balcom, Bennett (*Grey North*), Cardin, Cavers, Dickey, Dinsdale, Forgie, Gillis, Goode, Green, Hanna, Harkness, Jones, MacDougall, Pearkes, Philpott, Quelch, Stick, Thomas, Tucker, and Weselak.

In attendance: Mr. G. L. Lalonde, Assistant Deputy Minister of Veterans Affairs, and the following officials of that Department: Mr. G. H. Parliament, Director General of Veterans Welfare Services; Mr. W. Gordon Gunn, Q.C., Director of Legal Services; Mr. E. J. Rider, Research Adviser, and Mr. C. B. Topp, Chief Pensions Advocate. Also, Mr. J. L. Melville, Chairman, and Mr. Leslie A. Mutch, Vice-Chairman, of the Canadian Pension Commission. Also, Mr. T. D. Anderson, General Secretary, and Mr. D. M. Thompson, Chief Welfare Officer, of the Canadian Legion, B.E.S.L.

The Committee proceeded to the clause by clause study of Bill 82, An Act to amend the War Service Grants Act, and in that connection Messrs. Lalonde, Parliament and Gunn were questioned.

Clauses 1 and 2 were passed.

On Clause 3,

On motion of Mr. Bennett,

Resolved,—That the said clause be amended by substituting 1960 to 1957 in line 29 of the bill.

Clause 3, as amended, was passed.

Clause 4 was passed.

The preamble and title were passed and the said bill ordered to be reported to the House with an amendment.

The Committee then proceeded with the study of Bill 339, An Act to amend the Pension Act, and in this connection Mr. Melville was called and questioned at length.

At 1.10 o'clock p.m., Mr. Melville's examination still continuing, the Committee adjourned to meet again at 11.30 o'clock a.m., Monday, May 31, 1954.

A. CHASSÉ,
Clerk of the Committee.

EVIDENCE

FRIDAY, May 28th, 1954,
11.00 a.m.

The CHAIRMAN: If the committee will come to order we will get down to business.

I am glad to be able to tell the committee that Mr. Bennett is in a position to make the announcement that we had in mind in respect of bill 82 and he will probably make it when we come to the appropriate section in respect to the bill. So we can proceed with it, the understanding being that if there is anything controversial we may let any clause stand.

Mr. Lalonde, the Assistant Deputy Minister of Veterans Affairs is here. He has a short statement prepared in respect to the Bill—the War Service Grants Act. I presume the committee would like to hear it before they actually start considering the sections of the bill. I will call on Mr. Lalonde to make his statement.

Mr. Lucien Lalonde, Assistant Deputy Minister of Veterans Affairs, called:

The WITNESS: Mr. Chairman, this is in the nature of a brief explanation of the various changes and a quotation of figures which have been brought up to date on some of the points dealt with in the bill.

This bill purports to amend the War Service Grants Act in order, first, to extend the period of time during which veterans may use their re-establishment credits. The Act as it exists now provides that re-establishment credit must be used within a period of ten years dating from January, 1945, or ten years from the date of the discharge of the veteran, whichever might be later. It is now proposed to extend this period by a further five years. As of March 31 of this year there remained over 170,882 active accounts in re-establishment credits. The department feels that those veterans who have not yet used their re-establishment credit should not be pressed to do so immediately, if their long-term rehabilitation will be better served by deferred spending of the money until later.

It is also proposed to permit a veteran who still has re-establishment credits in his account to use those credits for the purpose of purchasing insurance under the Veterans Insurance Act, as long as the veteran does so within the period of time in which he may use his re-establishment credit, regardless of the fact that the time limit has expired under the Veterans Insurance Act.

It is proposed to set a time limit at December 31, 1954, after which applications for war service gratuities in respect of World War II may not be made. It will be recalled that these gratuities, the amounts of which were based on the length of service of the veteran, after the passing of the Act in 1944 were paid out automatically upon discharge; that is, during the procedure of discharge the veteran would make his application for war service gratuity and payment would follow. Hence the bulk of the veterans received their war service gratuities automatically. Those who had been discharged before 1944 had to make personal application. As of March 31 of this year again there was still approximately \$500,000 owed to about 6,700 veterans who had not yet applied for their war service gratuities. The department has been endeavouring for the last few years to contact each and every one of these

veterans. For the most part they are men who had an extremely short period of service previous to the passing of the Act, and it was service mostly in Canada. These amounts are therefore small.

Honourable members will realize what a small proportion \$500,000 is to the total amount paid out, when I state that to date we have paid to World War II veterans war service gratuities to the amount of \$470 million. There is a provision that if the veteran has overseas service, and the minister is satisfied that circumstances justify the delay, the gratuity may still be paid.

A further amendment which is proposed to the War Service Grants Act is to make the re-establishment credits payable to orphaned children of veterans. Up to now the re-establishment credit could be paid to the widow or to the dependent mother of a veteran. It is now proposed to make this credit available to the orphaned children or to children abandoned by the surviving mother.

Finally, it is also intended to relax the conditions under which a mother may use the re-establishment credit of a dead veteran. At the present time the Act requires that the mother should have been wholly dependent on the deceased. We intend to recommend that this situation be changed and that the wording be "wholly or to a substantial extent dependent on the deceased" so as to permit us to look into some cases of hardship which have arisen.

The CHAIRMAN: Thank you, Mr. Lalonde. Before we proceed with the bill itself have any members of the committee any questions to ask Mr. Lalonde arising out of his statement?

By Mr. Cavers:

Q. Since these payments will be paid to orphans, if the situation should apply, will it be necessary for the orphan or infant to have a guardian appointed or how will the money be paid?—A. Mr. Chairman, that is covered in one of the amendments to the bill; that the minister may direct that the payments be made to a suitable guardian or suitable person who will administer the use of the credits.

By Mr. Balcom:

Q. Would a mother with an adopted son be eligible?—A. Yes. That is covered in the definition of child which includes natural child, step-child or adopted child under twenty-one years of age.

By Mr. Pearkes:

Q. I missed the cut-off date?—A. For the war service gratuities?

Q. Yes. —A. The 31st of December, 1954.

By Mr. Dinsdale:

Q. Mr. Chairman, I was interested in the statement made that there was going to be a further extension in the payment of re-establishment credits to dependent parents of the deceased personnel. What is the present situation in regard to the parents of service personnel killed overseas? They receive the gratuity automatically?—A. You mean the parents, not the widow?

Q. The parents of a son.—A. They get the gratuity if there is no widow or child, but they do not get the re-establishment credit automatically. The wholly dependent mother can, under the present Act, get the re-establishment credit if the son has died after he was discharged.

Q. I see.—A. Not in the case of those who died on service.

Q. It is those who died following their return to Canada?—A. That is correct.

By Mr. Gillis:

Q. This term "wholly dependent" has been a bugbear in the regulations. "Partially dependent" is the new meaning. Will that apply to cases that have been under review for two or three years back? I know cases personally where that wording "wholly dependent" dealt out some pretty legitimate cases. It was pretty hard to interpret. The parents actually had to be in indigent circumstances. That was about the interpretation. Will this new ruling be applicable from the time this bill is amended, or will it take in cases which have been outstanding on this particular point?—A. I believe the answer is: as long as the credits are there they can be used until 1960, and all those cases, if the same conditions exist now, can be and will be reviewed under the Act if it is approved, at least under the new wording of this section. Perhaps an example of the difference between wholly and substantially is a case Mr. Gillis knows about where the mother has two sons and one of them contributed, let us say in the ratio of 80 per cent to the mother's support and the other son 20 per cent. If the son who was contributing 80 per cent dies, the mother could not now use the credit because she was not wholly dependent upon him. Under the new wording it would allow us to let that mother use the re-establishment credit of the first son.

Mr. BALCOM: The new wording is "substantial", not partially.

The WITNESS: Substantial.

By Mr. Jones:

Q. I still do not like the word "substantial". I have in mind where a veteran is sick and unable to support the household and the wife has done it all. In that case she is not receiving substantial support of the husband. She has been the whole support of the husband in the reverse. The word "substantial" in her case would not mean a thing.—A. I am sorry. I do not quite follow your argument, Mr. Jones. You were referring to the wife.

Q. Where the wife has been substantially dependent?—A. Where the mother—

Q. Yes, the mother. Supposing that the mother has been the support of that household owing to the sickness of the husband; she is not substantially dependent on her husband; but she herself is the support of the home?—A. The "substantially dependent" arises only in the case of the relationship between a mother and a son. If she is a widow there is no question of whether it is "wholly" or "substantially". This section deals only with the relationship between the mother and son.

Mr. GOODE: Mr. Lalonde spoke of the Veterans' Insurance Act. Can he give us any figures in regard to how many veterans enjoy benefits under the Insurance Act in comparison with the veterans under consideration by this committee? Can he tell me what percentage of veterans is enjoying the benefits of the Insurance Act?

Mr. PARLIAMENT: The figure that was received from the insurance branch, following the second meeting of the committee, was that there were slightly over 35,000 policies issued to veterans of World War II including widows.

Mr. GOODE: Out of a total of what?

Mr. PARLIAMENT: The total force was 1,086,000 members.

By Mr. Green:

Q. With regard to the use of the word "substantial," I took it from your statement that the intention of the department really was to cover the cases where there is partial dependence on the relative. Would it not simplify the amendment if you used the words "partial dependence" instead of "substantial

dependence".—A. Mr. Chairman, perhaps the example that I tried to give illustrates the reason. A mother may have had three sons in the services and two of them may have contributed to her support, let us say, in the ratio of 5 per cent each when the third one was contributing 90 per cent. If we say "partial", she will get the credit from the son who is contributing 90 per cent and if the other two sons die she will also get their credit, so she will get credit from three sources.

Q. The only money that can be paid out is the \$500,000 still held in the fund?—A. No, Mr. Green. That \$500,000 is the balance of the war service gratuities. In the re-establishment credit account there are still millions of dollars. We have 170,000 accounts still open. That represents about \$34 million.

Q. I would like to know whether the amendment would meet a case of this kind: where the wife of the veteran had divorced him and then when the veteran died there were three children left for whom the wife was solely responsible and she also had the sole custody of the children. Under the present law she is not the widow because she had divorced the husband before he died and therefore that rehabilitation money cannot be used to help the children. Will your amendment be broad enough to cover a case of that kind?—A. To cover the use of the credit by the children?

Q. Yes.—A. Definitely, Mr. Green.

Mr. GILLIS: I wonder if it would cover this situation. The case I had in mind was that of a captain in the army. During his period of service he had assigned to his mother a substantial amount of his service pay. After coming back he moved from Nova Scotia to Saskatchewan. About three years ago he came home and found his father on a small pension and that was the only income and the old home was getting run down. He decided that he would apply his gratuity credits to the renovation of the home. It was to be his in a few years anyway. He went back to Saskatchewan and was burned to death in a fire. In the meantime he made application for his credits for that purpose. The ruling was that the credit could not be made under those circumstances because the parents were not wholly dependent. That case was dealt out. I am wondering if the new wording, "substantial contributions", would cover that case. It is not very complicated; it is fairly clear-cut; but the words, "wholly dependent" ruled out the parents.

The WITNESS: Mr. Chairman, Mr. Parliament is the Director General of Welfare Services dealing with those applications, and he tells me that the particular case that you mention was one of the ones that provoked the present amendment.

Mr. GILLIS: Thank you, sir.

Mr. THOMAS: Could Mr. Lalonde give us some idea approximately of the cut-off in the dependency ratio? Is it 50 per cent or 60 per cent dependent on the veteran, or is each case dealt with on its merits?

The WITNESS: I think it would be a mistake for the department to adopt a percentage attitude to deal with those cases. It would be our feeling that it is better to study each case and deal with it on its merits. There may be other considerations besides the amount paid by the son to the mother. The status of the mother, her age and so many other things are taken into consideration that I believe it would be a wiser policy not to make any hard and fast line of demarcation in those cases.

Mr. THOMAS: That was the answer I wanted.

Mr. JONES: What percentage of those cases are unclaimed because of the position of the veteran and what percentage, if any, will be available now, as the Act is to be changed? To what extent is red tape holding back this

money from the veterans? I would like to know some of the reasons why the veterans are not claiming such a large amount of money. There must be a reason for it.

The WITNESS: That is perhaps a difficult question to answer in a few words. I suppose that one could say that every veteran has a different reason. One is waiting to be married; another one is waiting to choose a house and wants to keep his credit there to make a down payment; another one is perhaps still looking for a wife. It is impossible, Mr. Jones, to pinpoint the reason why each veteran has not taken the credit. I do not think there has been any lack of interest by the veterans, but I think that those who have not used the credit have felt that they had no immediate need for it and that perhaps it was wiser to keep that as money in the bank. I think in many cases especially those who intend to establish themselves under V.L.A., they have not wanted to use that credit, knowing full well that they would have to repay it later. I am sorry that I cannot give you a better answer.

Mr. GOODE: Is it not true that some of them consider it as being "rainy day insurance".

The WITNESS: That is the impression we have.

Mr. QUELCH: In your amendment to section 12 you are setting a date of 15 years from the date of discharge. Why do you not give the same extension in section 13 in regard to the Veterans' Land Act? I think it would be just as important to extend that as the other. There are many veterans who would still like to come under the Veterans' Land Act, but they have not as yet been able to raise enough money to qualify. However, they probably hope to be able to do so.

Mr. BENNETT: Mr. Chairman, I was going to move an amendment to that section, but not to cover Mr. Quelch's point. Shall I make my statement now or wait until we get to the section?

The CHAIRMAN: You have in mind something in regard to that point?

Mr. BENNETT: Yes. I thought I would make a statement when we reach the section of the bill and then we could discuss it. Will that be all right?

The CHAIRMAN: That is all right. Shall we start now with the clauses?

Agreed.

Clause 1. "Other persons to whom credit may be made available".

Mr. GREEN: I wonder if the assistant deputy minister or Mr. Parliament could tell us under which provisions in this clause the case which I mentioned is covered?

The CHAIRMAN: You mean about dependent children?

Mr. GREEN: Yes.

The CHAIRMAN: That would be "b" (of clause 1).

Mr. PHILPOTT: It comes under "b".

Mr. GREEN: I think that Mr. Parliament knows this case.

The CHAIRMAN: It is where there was a divorce?

Mr. GREEN: Yes.

The CHAIRMAN: That would be under "b".

Mr. PARLIAMENT: Mr. Chairman, our legal department in giving an opinion on this particular case when I referred it to them, said that the definition of a child came under subsection 5 of section 9 on page 2 of the bill, and that these children would automatically come in, I think, under "b". Mr. Gunn perhaps might give an opinion on the case.

The CHAIRMAN: Your case was where the wife was divorced, and it says:

Where a member dies without having used all of the re-establishment credit for which he is eligible under this Act, any unused portion thereof may, in the discretion of the minister, be made available to...

(b) any dependent children of the member, in the case of a male or female member, if the member dies without leaving any widow or widower or if the widow or widower is dead or cannot be found or it appears to the minister that she or he has abandoned the children; or...

If he was already divorced, he would not leave a widow.

Mr. GREEN: Is says "any dependent children". My worry is about the word "dependent"; and in subsection 2 of section 9 it says:

For the purposes of this section a child or mother of a member shall be presumed to be a dependent child or mother if, in the opinion of the minister, such child or mother was, at the time of the member's death, wholly or substantially dependent upon such member for support.

I am not sure, but in this particular case the facts may have been that the father was not paying anything to support the child. I do not want to have the children ruled out on the ground that they were not dependent on the veteran. I think the veteran was not carrying the full load of providing for the children; and the way that section reads now it might be interpreted that because the father was not paying in money for them, therefore these children cannot get the benefit.

Mr. GUNN: I have some recollection of this case having been submitted to me for consideration, and as I remember the case the veteran concerned was under a court order to pay alimony to his wife for the benefit of the children.

Mr. GREEN: I do not remember that.

Mr. GUNN: I think there was that element in it, and I concluded on that basis that there was a dependency there, a recognized dependency.

Mr. GREEN: I think the section should not be made to hinge on whether there is a court order made against the veteran. In this case the veteran was not a very desirable character. Even if the widow had got a court order for payment of a certain amount, she would never have been able to collect. She might very well have been advised by her lawyer not to bother to go to the expense of getting a court order against the father, which, of course, she would have to do subsequent to getting a divorce; it would only mean additional judicial procedure and additional legal costs. I do not think that the protection should be made to hinge on the fact that there is a court order. In this case I do not mind as long as the children are covered; but I am afraid there is a possibility that they might be ruled out because the wife has not obtained the court order for their support.

Mr. GUNN: I did not intend that to be the sole ground of my ruling at the time. We proceeded on a very ordinary rule of law that the parent is responsible for the maintenance of his children; and that rule was confirmed by a court order, in this case making the grounds doubly sure. I think we can rest on the general principle that where the child is part of the domestic circle of the dependent veteran and has been in that family for some little time, there is established a dependency on the part of the child to that parent.

Mr. GREEN: Whether there is a court order or not.

Mr. GUNN: It does not make very much difference; but in this particular case I remember there was a court order confirming it in spite of the divorce. We recognize that the court may in a divorce case give the custody of the child to one parent or the other. Never, in my opinion, or in my recollection,

has a court declared the responsibility of the father for the child to be over-ridden. It still prevails. There might be alimony payable, but whether it is paid or not is a different question.

The CHAIRMAN: There is one thing about the way this is worded: "a child or mother of a member shall be presumed to be dependent. . ." When you put the mother in you are probably extending the rights; and when you put the child in you are curtailing the rights. If you just leave the reference to the child out of subsection 2, then if the child was dependent in law on the parent, something could be done. But when you say that the child must be wholly or substantially dependent upon such member for support, it means that if somebody else is supporting such child, then the child is not covered by the Act.

I suggest for your consideration that if you leave (b) as it is "any dependent children of the member. . ." and leave it for the interpretation of law, the child is entitled to support from his own parent and leave it at that. I think that is the intention of the department; and then in subsection 2 where you are making sure that the mother is getting support, if she comes within "substantially dependent on the member", and just have the reference to the mother in subsection 2, it seems to me that you would accomplish your objective. In other words, does subsection 2 not extend the rights of the mother but curtail the rights of the child?

The WITNESS: Might I say something in that regard. I think we run into a little problem here. What we are trying to do is to pass on to one of the dependents of the deceased veteran the rights that he had acquired in his re-establishment credit. As always happens when you have more than one group of beneficiaries, we are trying to reach the person whom we think is more entitled to these benefits.

We now have three groups, the widow, the children and the mother, in that order. The dependency feature—may be altered by changing the term "wholly" to "substantially," but we should still keep it in the Act. Supposing that in your case, Mr. Green, it had happened that the divorced mother was a millionairess, and was looking after these three children, but the veteran's mother was substantially dependent upon her son. We think she should be the one to benefit by these credits. The order of priority is: the widows, the children, and the mothers; but if your children are well-off and do not count upon their father for support, while the mother does, I think the result of any amendment to this section of the bill would make it compulsory to pay it to the children and leave the mother with nothing.

The CHAIRMAN: That clears up the point which I had in mind.

By Mr. Quelch:

Q. Does the Act cover a widower where he was physically incapacitated and where he was dependent upon his wife before she died?—A. The wife, I take it, is a veteran in this case?

Q. Yes?—A. Yes.

Q. It does not say so in the Act.—A. Yes. We use the word "widower". " . . . without leaving any widow or widower."

Mr. GOODE: This whole conversation may have been very interesting but down in this corner we did not hear one word of Mr. Green's question and until Mr. Lalonde gave his answer we did not know what was going on. The acoustics are very bad here. I wonder if we could meet in another room?

The CHAIRMAN: Yes, we have made arrangements for that and from now on we are going to meet in room 430. We had already called a meeting in this room for this morning, and I thought it would cause confusion if we changed it.

We have clause 1. Carried?

Carried.

Subclause 2, "Purposes for and time within which available" is the side note—that is opposite clause 12. Carried?

Carried.

"Unused credit may be used to obtain insurance." Subclause 3. Carried?
Carried.

Subclause 4, "Amount applied to be held in trust." Carried?
Carried.

Mr. GREEN: You are still on clause 2?

The CHAIRMAN: Yes, I am taking the side notes. Now, clause 3, "Time limit for making of adjustments."

Mr. BENNETT: Mr. Chairman, I would like to move an amendment to section 3. A good deal of consideration has been given to the time limit within which a veteran can repay his re-establishment credit and qualify for Veterans' Land Act assistance. We all know it is a rehabilitation measure and section 13 offers a second chance to the veteran for rehabilitation. He can use his re-establishment credit, and under section 13 he can repay that credit. It has been considered for some time that there should be some finality as to the opportunity for the veteran to repay his re-establishment credit under section 13 and thus qualify for V.L.A. As you will see, the date included in the bill is January 1, 1957 but in view of the fact that the date under section 12 of the present Act has been extended to 1960 and in view of the recommendation in the legion brief, I have been authorized to say on behalf of the minister and the government that if this committee sees fit to pass it, that an amendment will be acceptable to set the date at January 1, 1960. Incidentally, this section of the bill is the only one that the legion brief commented on.

Now, as far as Mr. Quelch's point regarding the inclusion of 15 years from the date of discharge is concerned, I think we should remember—I suppose Mr. Quelch was thinking mostly of the Korean veterans—the average re-establishment credit amounts to \$174 and we must remember that this is a second chance at rehabilitation. If the Korean veteran does not take his re-establishment credit, of course he can qualify under V.L.A. at any time without any time limit. The government, I believe, in its thinking at this time do not want to project this second chance so far into the future. It would mean projecting it 15 to 18 years and under this provision the veteran will have up to January 1, 1960, and I think this committee will agree that if there are any cases of undue hardship that that date line can always be extended as this committee has extended other date lines.

Mr. QUELCH: I think 1960 pretty well covers the case.

Mr. BENNETT: I will move that section 3 of Bill No. 82, an Act to amend the War Service Grants Act, be amended by substituting in the third line of the said section for the words "first day of January 1957", the words "first day of January 1960", so that the section would read as follows:

3. Section 13 of the said Act is amended by adding thereto the following subsection:

(2) On and after the 1st day of January 1960, no member of the forces may become eligible under subsection (1) for a grant of any of the benefits under the Veterans' Land Act by virtue of an adjustment made pursuant to subsection (1).

The CHAIRMAN: You have heard the amendment, gentlemen, is that agreed?

Hon. MEMBERS: Agreed.

The CHAIRMAN: Carried. Is the clause as amended agreed to?

Hon. MEMBERS: Agreed.

Carried.

The CHAIRMAN: Clause 4, "Payment to be made only upon application". Agreed?

Hon. MEMBERS: Agreed.

The CHAIRMAN: Carried. Opposite subclause 2, "Time limit for applications for gratuity." Agreed?

Hon. MEMBERS: Agreed.

The CHAIRMAN: Carried. Does the preamble to the bill carry? Carried.

Shall the title carry?

Carried.

Shall I report the bill?

Carried.

Now, gentlemen, we have Mr. Melville, the chairman of the Canadian Pension Commission with us. He says he has not prepared any elaborate statement, but he is prepared to answer any questions before we actually take up the sections of the bill so that if Mr. Melville will come forward we will proceed. Mr. Melville has with him our old friend, Mr. Mutch. The Deputy Chairman of the Commission.

Mr. PEARKES: You are not going to deal with Bill 101 first? There is only one clause outstanding and a report of an order in council which I asked for.

The CHAIRMAN: That is the Veterans Benefits Act?

Mr. PEARKES: Yes.

The CHAIRMAN: There was the possibility of an amendment being introduced there and as it involves the expenditure of money and there is no minister on the committee, it has raised a problem under the rules which we cannot deal with, as far as I am aware, under the present circumstances. I have not had a chance, to thresh the matter out fully with Dr. Ollivier. I thought if the committee did not mind giving me until Monday I would see what we could do about it.

Mr. PEARKES: That is all right.

Mr. BENNETT: It is under very active consideration.

Mr. PEARKES: You said the other day you were going to deal with it, that is all.

The CHAIRMAN: It raises a question. I believe only a minister can make a motion involving the actual expenditure of money.

Mr. GREEN: Could it not be done in the way of making a recommendation from this committee that consideration be given to certain amendments?

The CHAIRMAN: That is one way of doing it, but I thought it would be much better if we could complete the bill rather than report it and at the same time make a report recommending a change in it in the House. If we could just report the bill actually as amended from this committee I think it would be a better way, but if this is not feasible we will have to adopt the procedure suggested by Mr. Green. I think the committee would agree they would much rather report a completed bill than report a bill with an appended recommendation.

Mr. PEARKES: I am hoping to get that Order in Council and I may have a comment to make on that.

The CHAIRMAN: Mr. Parliament, are you prepared to make a statement on that?

Mr. PARLIAMENT: I have the Order in Council. Do you wish it read.

The CHAIRMAN: Yes, please.

Mr. PARLIAMENT: Order in Council P.C. 28/4244 issued under date of August 31, 1950, giving the effective date of August 7, 1950, was superceded by P.C. 4559 dated the 29th August, 1951, setting the date as July 5, 1950. This Order in Council provides for permanent and temporary civil servants to be granted leave without pay while they were members of the special force or the regular force or the reserve force.

Mr. PEARKES: Might I ask whether that was superceded by Order in Council P.C. 5740 dated October 29, 1951? I did not have this information when I raised the question, but there would seem to be some doubt as to just who is entitled to be re-established into the civil service and I would think that if we could have that other Order in Council we would have the complete information.

The CHAIRMAN: Mr. Parliament, is this a very long Order in Council?

Mr. PARLIAMENT: A page and one half of foolscap.

The CHAIRMAN: We can make it part of the record. Will you look into that other question? Mr. Pearkes suggests that this is modified by a subsequent Order in Council.

Mr. PEARKES: I understand that it is Order in Council P.C. 5740 dated October 29, 1951, which I believe changed or modified the conditions. I would suggest if that is a fact, that is the only Order in Council we will probably have to table, so perhaps you would hold the tabling of these Orders in Council until you have had a chance to check that one.

The CHAIRMAN: You think this Order in Council you mention may have superceded the other Order in Council entirely?

Mr. PEARKES: Yes.

The CHAIRMAN: In that case we may hold this Order in Council for the time being.

Now, as you gentlemen know we have before us Mr. Melville, chairman of the Canadian Pension Commission, and Mr. Mutch the deputy chairman. Is it the wish of the committee that we should proceed with the bill, or before we start have some general questions?

Mr. MACDOUGALL: May we have a general statement.

Mr. DICKEY: I think we should have an opening statement.

The CHAIRMAN: Then we will call on Mr. Melville for a statement.

Mr. J. L. Melville, Chairman, Canadian Pension Commission, called:

The WITNESS: Mr. Chairman, and gentlemen. I am very happy indeed to be once again before a special committee on Veterans Affairs. It is my very very sincere hope that I will be able to furnish you with information and figures which will assist in your consideration not only of bill 339 but the representations which have been made to this committee, relating to pensions, by the two national organizations of ex-servicemen.

One further comment is called for and it will be brief. I have with me the files of the seven cases which were referred to by the Canadian Legion and I am ready and anxious to answer any of the unfortunate comments which were made with respect to them.

By Mr. Goode:

Q. Because I have asked some questions in regard to these cases, on which I have no prior information whatsoever, I would like to ask Mr. Melville to refer to the Canadian Legion brief on page 15, and I would like Mr. Melville to proceed with a full explanation of every case that is mentioned in that brief. The reason I ask this is that these charges, if they are charges, are serious in regard to the total amount of pension cases handled by the Pension Commission, and I think each member of this committee is entitled to receive full information on each one. If Mr. Melville will proceed to give us an explanation, if he has one in each case, I certainly would appreciate it.—

Mr. QUELCH: I think that explanation should be especially in the light of the statement that appears opposite page 4 where it states: "There is no cause for delay now, documentation is available, appeals are heard very soon after they are listed as ready."

The CHAIRMAN: What was that?

Mr. QUELCH: I think the explanation should be especially in the light of the statement that appears opposite page 4 of the bill which reads: "There is no cause for delay now, documentation is available, appeals are heard very soon after they are listed as ready."

The CHAIRMAN: Yes. Ordinarily, of course, as the members of the committee know we do not go into individual cases in this committee, but in view of the circumstances I take it that the committee would feel that is right, when these cases have been referred to in the legion brief and have been put before the public generally so widely that the committee would want to hear from the pension commission in respect to them. So, I think that we in this should vary our usual attitude not to deal with individual cases. I think, therefore, that I should permit the chairman of the pension commission to answer the questions directed to him by Mr. Goode.

The WITNESS: I can sum up the first case by referring to the decision rendered by the commission on the 5th July, 1949. The reasons for the commission's decision closed with these words: "While the neurologist's opinion is reasonable, it is based entirely on the applicant's history which, with the evidence in the hands of the commission at the present time, is unconfirmed. On the evidence presently available, the commission is unable to find that this condition developed during service. The commission rules: retrobulbar neuritis with iridocyclitis of the right eye, post discharge condition, not attributable to service."

When that decision was rendered by the commission we notified the applicant and in so doing gave the reasons leading to the decision, and not only so, we advised what procedure was open to the applicant in the further advancement of the claim to pension. The claim came before the appeal board on the 24th October, 1950, and the appeal board conceded entitlement. The same day the commission took due notice of the decision rendered by the appeal board and ruled, in accordance with the statute, that the award should be retroactive for twelve months, the maximum period provided in that section of the statute. That was on the 25th of October, 1950. On the 9th of November, 1950, the pension medical examiner had completed his examination and a report had been received by the commission head office. It had been considered by the medical advisory staff, it was referred to the commission and we agreed and assessed the disability from the condition for which entitlement was conceded by the appeal board as 40 per cent, and pension was paid at that rate. On the 24th of August, 1951, the commission granted an additional six months under what was then section 27(2) of the Act, now section 31(2). On the 19th of December, 1952, the dominion president of the Canadian Legion, accompanied by the dominion first vice-

president, Dean Anderson, the general secretary, Mr. Thompson, Mr. Titus and Mr. Burgess came to my office to discuss certain affairs relating to pensions, and we had a very full, free and frank discussion, may I say. In connection with this case I advised the dominion president and the officers who were with him that the commission would sympathetically consider any further representations the Legion desired to make in the light of the discussion, and after they left my office I dictated a memorandum and placed it on my file, as I always do, so that I am up to date. On the 31st of December, of the same year, which was twelve days later, the Legion followed up the visit to my office and requested retroactivity to the 6th of November, 1948, to cover treatment expenses. At that time, gentlemen, there was no provision, such as exists today, to pay treatment expenses incurred prior to the period of entitlement granted by the commission. That letter was written on the 31st of December. On the 5th of January I took the letter into the board room at the daily meeting—there is a meeting with my colleagues every day—and I submitted the letter for their consideration. We reviewed the circumstances and we agreed that this veteran had been subject to considerable expense for special medical attention prior to the effective date of our entitlement and, that being so, the commission was pleased to grant a further retroactive period, and that decision was reached the same day. Now, that is the order of events in this case.

Now, going on further in the statement which is made by the Legion, it says that the Legion application was made for appeal board hearing eleven days from the first renewal rejection, but the appeal board hearing decision was not rendered until fifteen months later. On the face of it, gentlemen, a statement that a claim was made eleven days after our decision and it took us fifteen months to go to appeal board most definitely warrants attention.

Mr. BENNETT (*Grey North*): Page 18.

The WITNESS: On the 5th of July, 1949, the commission ruled the retrobulbar neuritis as post-discharge. On the 11th of July, 1949, we advised the applicant of our decision and the action which was open to him. On the 16th of July he applied for an appeal board. That was exactly eleven days after our decision refusing entitlement. On the 19th day of January, 1950, the summary of evidence was sent to the applicant. That has nothing to do with the commission; the summary of evidence is completed by the Veterans' Bureau. On the 6th of April, 1950, the commission was advised that the claim was ready for hearing by an appeal board. In other words, the applicant stated, I have received the summary of evidence, I have studied it, I have no more evidence to advance in support of my claim, and you may proceed. The application was then lodged with the commission, and on the same day the commission listed the claim as ready for hearing. When you reach that stage with an appeal board it then becomes the responsibility of the pension medical examiner in the district where the man resides and the advocate, whoever he may be, to arrange a hearing. That hearing may only be arranged on such a date as the commission has an appeal board sitting in that locality. Secondly, that date must be a favourable one to allow the applicant and his witnesses to appear. In this particular case the evidence which resulted in a favourable decision was medical evidence of a very high order from outstanding specialists. The specialists were not available, and the commission which had listed the case as ready for hearing had to wait until such time as we were advised of a certain date when the appeal board was in Montreal and the applicant was prepared to proceed with the claim. On the 24th October, 1950, the claim was heard. That is the story with regard to the eleven days and fifteen months.

The CHAIRMAN: Mr. Goode asked you to deal with a case.

Mr. GREEN: Perhaps we could deal with each case.

The CHAIRMAN: Did anyone wish to ask any questions arising out of the statement of Mr. Melville in regard to the first case?

By Mr. Green:

Q. What was the date of the first decision, Mr. Melville?—A. July 5, 1949. That is the first renewal decision. The decision of 1948 was with respect to another condition altogether, onychomycosis. I did not know what that was until I looked it up in the dictionary of medical terms and I found out that it was hardening of the toe-nails. The first decision, Mr. Green, with respect to retrobulbar neuritis was July 5, 1949.

Q. The application was made to the Veterans' Bureau in November, 1948, is that right?—A. Yes, I would say that is correct.

Q. That is the first time. Then the Veterans' Bureau did not submit that application to the commission until March of 1949, is that correct?—A. That is correct according to the record.

Q. Why would it take them four months to put in an application?—A. I cannot answer for the Veterans' Bureau, but I would say that when you are preparing a claim you are very anxious to collect all the evidence in support thereof, and that takes a great deal of work and communication back and forth with the applicant, probably to obtain additional evidence. Brigadier Topp, the chief pensions advocate of the Veterans' Bureau, I am sure would be glad to answer that question.

Q. I take it that the essence of the complaint of the Legion is that there has been undue delay or in any event that there should be some change in the Act to grant a larger degree of retroactive pension. Am I correct in that assumption?—A. That is my understanding of the legion's submission.

Q. The aim of the Legion is to get some change made in the provision for the payment of pensions retroactively. On the first renewal the application was submitted in March, 1949, and 4 months later, or $3\frac{1}{2}$ months later, the Pension Commission made their first ruling on this particular condition. Is that right?—A. That is so.

Q. And you ruled that it was post discharge and was not attributable to service.—A. That is right.

Q. On whose opinion was that ruling based? Was it based on your own medical opinion?—A. The decision is the decision of the commission. The commission is charged by parliament with sole authority and exclusive jurisdiction in all matters relating to pensions. Therefore, when a claim for pension is received—and I am glad to have this opportunity of explaining the procedure—the claim is referred to the medical advisory staff of the particular division concerned. It becomes their responsibility, first, to obtain the service documentation; second, to consider the application which has been received; and third, to pursue any inquiries and obtain all information relevant to the claim. When everything is complete, they submit the claim to my colleagues.

Q. In effect, what was done in this case was: it was turned over to the particular branch of your medical department which deals with disabilities of this type. Is that correct?—A. That is correct.

Q. And, of course, this case, as I understand it involved almost entirely medical interpretation. Is that correct?—A. It was largely decided upon expert medical opinion.

Q. It was decided on the basis of expert medical opinion. Is that correct?—A. That is correct.

Q. It was not a question of fact. It was purely and simply a question of medical opinion. Is that right?—A. The medical opinion justified the favourable decision which was rendered.

Q. Well, eventually the commission got medical opinion from its own doctors. Is that correct?—A. Yes. We always get medical opinion from our medical advisors.

Q. And on the basis of the medical opinion from your doctors, you turned down the claim?—A. Yes, but I must point out that was done on the evidence available at that time. When additional evidence is forthcoming, we are always ready to reconsider.

Q. No. This was a question of medical opinion with regard to this disease, as you said a few moments ago.—A. The disease, the circumstances, and the theatre of service, are all factors in considering a claim for pension.

Q. This was a medical case, was it not?—A. That was basically so.

Q. Basically it was a medical case. Now, could we see the medical opinion that was given by your medical men?—A. It is not on the file.

Q. I beg your pardon?—A. I repeat: it is not on the file.

Q. Why is it not on the file?—A. Because a medical opinion is a privileged opinion between the medical advisory staff and the commissioners.

Q. Why should there be any privilege about a document of that kind? Here you have the right to a pension and your doctors recommend to you that such and such is the medical situation or the medical position. Why should that not be put on the file?—A. I am sure that Mr. Green would be very relieved—and I am glad that he has brought it up: to learn that the point he asked about has been argued over quite a few years and representations were made originally by our good friends and closely cooperating associates the Veterans Bureau, then by the Canadian Legion, and other sources.

At a general meeting of the commission which was held only some months ago we again went into the whole situation and decided there was no reason whatsoever why anything which we do may not be subject to scrutiny. So these opinions which were formerly known as "white slips" but which we now call "case précis" are available.

Q. Can we see them? Why cannot we see the medical opinion in this case?—A. I have not got it with me at the moment.

Q. Will you produce the medical opinion in this case?

The CHAIRMAN: Of course this must be considered. It brings up the question of how far we should go into these cases. When the commission deals with these things, should we ask them to show the time they took and so on? Should we, in this committee, try to go into the reasons for their decisions, when they are charged by parliament with the responsibility of making them? That raises a most important question. I think that the attitude in the past has been that the commission should make these decisions. They are responsible under their oath of office for carrying out the Act, and they are answerable for their individual decisions neither to the government nor to us. They—as are like judges—in this respect.

This is a very important question and I do not want to finally decide it right off-hand. But I offer this thought for the consideration of the committee for the time being: that everybody would object if the government were to call on the carpet the commissioner and say to him: "Why did you make this decision. You have got to justify it. Produce your evidence."

If there was a demand upon him to do that, would there not be a great deal of objection to it? I am pretty sure there would be. The idea of setting up the commission was for them to administer the Act to administer justice to the veteran under the Act as laid down by parliament.

It is different if we take the attitude that the commission must justify its decision to a House of Commons committee? We know that parliamentary committees always have a majority of government members on them.. Would we not thereby indirectly be making the commission answerable to some

extent to the government for their decisions, if we start going into these matters and say: "Why did you make that decision?" Can you produce the evidence?"

It can be worded one way: "Why did you not give a favourable decision?" And it can also be worded in another way: "Why did you give a favourable decision?" I doubt very much if it was ever the intention of parliament that the commission should have to explain its decisions any more than you would have the right to call upon a judge and say: "Now, would you explain and produce the evidence which really motivated you?"

It is quite true, in the case of a judge, that the evidence is available on which he acted. But as I understand it the idea of setting up this Canadian Pension Commission was that they should consider the evidence, discuss the whole matter, and then they try to interpret and apply the Act in a way that will be as favourable to the veteran as possible.

I do not think it would be the wish of the veterans of this country that it should be possible to put the commission which is charged with this matter, on the grid and say: "Why did you come to this decision? Can you produce the evidence? Where is it? Let us look at it." I am entirely satisfied in my own mind that it would not be the wish of the veterans or the public that that should happen.

Mr. GREEN: I am not trying to do that at all.

Mr. GOODE: Are you?

Mr. GREEN: If you have anything to say, Mr. Goode, please speak out so that it will go on the record.

Mr. GOODE: Mr. Chairman, I think that Mr. Green should address the chair and not a questioner.

The CHAIRMAN: I think it strikes at the very root of this whole system. I point out, to start with, that it is very unusual to deal with individual cases in this committee. But in view of the suggestion of delay, I thought it was quite in order for the commissioner to explain why it took a certain time to arrive at a certain decision. But then to go further and enquire into the reasons for that decision, or why it was not different from what it was, that is something altogether different.

If you want to press the matter, I would want to have time to look into it, but I think we are getting into a very dangerous field if we start putting the Canadian Pension Commission on the spot before this committee in any way by asking for the evidence upon which they acted.

Mr. GREEN: Well, Mr. Chairman, there is one very simple answer to your statement, and it is this: Mr. Melville has said the Canadian Pension Commission have now decided they will put these white slips on the file.

The WITNESS: Excuse me, I did not say I would put them on the file. I said these case précis would be made available to whoever has authority and the Act clearly defines who may have access to the files. Now, may I say this: these are not the commission's files. They are the files, as you know very well, of the Department of Veterans Affairs and they are confidential. We are dealing with a type case. I said at the beginning I was anxious to answer any questions and I stand by that. That is my sincere desire. I have endeavoured to explain just what it will entail and why.

By Mr. Green:

Q. I understood you to say a few moments ago that the commission had now decided that these white slips which are the opinions of the commission's own medical staff will be put on the file.—A. No, I did not say so, Mr. Green—I must be clear about that.

Q. I am not trying to lead you astray. What is the situation now?—A. I said they would be made available.

Q. How do you mean "made available?" I thought what you meant is that they would go on the file.—A. I will read the section of the Act. Section 69 of the Pensions Act reads as follows:

Subject to departmental regulations the following persons may be permitted to inspect the records of the Department and all material considered by the Board of Pension Commissioners for Canada, the Pension Tribunal, the Commission or an Appeal Board thereof, in disposing of any application for pension:

- (a) the applicant for pension concerned and such persons as may be employed by him to present a claim on his behalf before the Commission or an Appeal Board thereof;
- (b) such medical advisers and other persons, including duly authorized representatives of veterans' organizations incorporated under the *Companies Act*, or by the authority of any other Act of the Parliament of Canada, as may be consulted by or on behalf of the person whom the records or material directly concerns, in the preparation and presentation of an application for pension; and
- (c) such public servants as may require to inspect them or have their contents communicated to them in order that they may properly discharge their duties.

Now, we are very zealous. This is a veteran's file and that is a confidential document and no one who handles that file in the department or the commission is allowed to communicate any of the contents of the file. When a veteran gives his advocate authority to examine his file, that authority must be in writing and under the procedure laid down by the commission the advocate brings that authority to the commission. First of all, he is examined to see if he has the written authority of the applicant, and then he is sworn by the secretary of the commission with regard to this section of the Act and its requirements; and that having been done he then goes to the chief medical officer—because I allow him to go to the very top—where the case *précis* is produced and he is permitted to discuss it and obtain any information he desires.

Q. Am I stating it accurately that under the recent ruling of the commission the white slip is available to the representative of the veteran.—A. I have said so.

Q. That is correct?—A. Yes.

Q. Would there be any objection to the white slip in this particular case we are now considering being made available to the members of the committee?

The CHAIRMAN: Well now, Mr. Green, we are all bound by the Act of parliament and that is not superceded by any reference from the House of Commons. Both Mr. Melville and this committee are bound by this Act of parliament and it definitely provides that these departmental records are not available to us unless we come in those three categories. I think that is quite evident.

By Mr. Green:

Q. I have no wish to break down the categories, but these particular white slips covering these cases which the legion has presented would now be available for inspection by the legion, would they?—A. By properly authorized authority of the applicant.

Q. And that is a new ruling—hithertofore they have not been available?—A. That I have said is new.

Mr. MACDOUGALL: May I say something?

Mr. GREEN: I am supposed to get some assistance from Mr. MacDougall, but I do not want to lose my place.

The WITNESS: I am sorry if my southern accent interferes, Mr. Chairman.

Mr. MACDOUGALL: I think that what my friend, Mr. Green, is driving at is something that possibly we cannot under any circumstances whatever grant. Now, in this particular case—

Mr. GREEN: What a help that is!

Mr. MACDOUGALL: I am not through yet, you know. In this particular case it was a question with respect to the eye, and in this particular case, as in many others, there possibly would be a reason for Mr. Green to ask for the evidence, but I would like to remind him and the members of the committee that what Mr. Melville has said is absolutely and fundamentally true and he will recognize this if he reviews the instances in the past where he has had representations made by a veteran to review his case. Now, unless the member of parliament has written authority from the applicant the member of parliament cannot review that file. There is a very definite reason for that. I have had experiences in the past and no doubt most members of the committee have had similar experiences. Suppose that the applicant—and I have had one of these cases—over and above what he was making a claim to the pension for—and that was a more favourable hearing of his case and possibly an increase in pension—and this is especially true in respect to veterans of the first war—venereal disease was a crime in the first war and it was so recorded on your pay book. Now, if we are going to make those white slips available with respect to an eye condition then it is only fair and proper that they should be made available with respect to venereal disease, and if you are going to bring that situation about I say to you, Mr. Chairman, that that is one of the worst possible things that this committee could recommend. On second thought, I am quite sure that the honourable member for Quadra will agree with me on that and I think when he was pressing for this that he was forgetting that very essential fact—the sanctity of the written words in the application of the applicant. In this case, of course, there would be no shame or discredit with respect to the publication of that evidence but make no mistake, we all know that there are many of those applications where—if we wish to interpret it that way—there is a certain amount of guilt and discredit attached and I think that my friend Mr. Green will agree with me that in the overall picture with respect to both what might be considered immoral conduct and resulting disability therefrom that it would not be in the interest of the veteran, the veteran's organization nor would it be a credit to parliament to have that made available.

Mr. GREEN: I do not know quite what that had to do with the question I was asking. We will take it as an assist, although it did not sound like it to me. What I am trying to get at is this. In this case you had a medical opinion which obviously was wrong and as a result of that faulty medical opinion the commission—

Mr. DICKEY: That is not based on the evidence.

Mr. GREEN: That is in the evidence because experts later on proved that it was wrong. It was proved by the experts and the appeal board recognized the opinion of the experts on this count. Obviously the opinions of the experts were contrary to the opinion of the commission's doctor.

The CHAIRMAN: I think before you proceed it might be wise to have Mr. Melville's statement.

The WITNESS: I would not contradict you for the world, Mr. Green, because you would have me at an unfortunate advantage. But I would like to read to you the decision of the appeal board. The claim was presented

by Mr. W. R. Henry, Q.C., of Montreal, an outstanding pensions advocate, and he did not present his claim until he got expert medical opinion. This is it: "At the hearing of this appeal we took the evidence of the applicant and that of Dr. J. Preston Robb of Montreal. We also read the certificates from Dr. G. Stuart Ramsey, and Dr. D. W. McDonald, as well as the diary which the applicant completed during his service. We are satisfied from the evidence that the condition under review began during active force service." They conceded it as having been incurred during service.

By Mr. Green:

Q. The opinion of the medical experts who were called before the appeal board was contrary to the opinion of your departmental experts. Was it not? —A. At the appeal board, which is so often the case, the applicant has additional evidence which is very much more than is available to the commission when they render their first or second decision.

Q. I do not say it is anything to the discredit of the departmental doctor if his opinion turns out to be wrong. We all make mistakes.

The CHAIRMAN: Then, why do you say it was a wrong opinion? If the advice was that it had not yet been proven that the disability was attributable to service. Up until the time they got that further evidence placed before the appeal board that opinion might have been right. So, your suggestion that there was a wrong medical opinion might not be correct.

Mr. GREEN: That is right.

The WITNESS: Allow me to read: "While the neurologist's opinion is reasonable, it is based entirely on the applicant's history which with the evidence in the hands of the commission at the present time is unconfirmed. On the evidence presently available the commission is unable to find that this condition developed during service." We gave the veteran the reasons leading to the decision and advised him to get more evidence. When the case comes up finally no one is more pleased than the appeal board to grant entitlement.

By Mr. Green:

Q. I agree with that. I do think that you have made a wise change so that the medical opinion is available to the veterans' representative and the representative will then be in a much better position to get expert medical opinion which will show that your own departmental doctors' opinion was not correct. I think that is a very wise change. In any event, you turned down the application in July, 1949, and there was not I presume a board hearing for 15 months and there seems to have been a delay of six months in preparing the summary of evidence. Is that a reasonable time to prepare a summary or should it be shorter considering, mind you, that the question of retroactive payment is involved, if the veteran is up against a deadline in the present law insofar as retroactivity is concerned.—A. May I quote the statute—not literally. The statute provides that when an applicant desires to make an application before the appeal board of the commission it shall be the responsibility of the veterans bureau to prepare a summary of evidence. I know nothing of the time taken to prepare this complete summary. It goes backwards and forwards between the advocate and his applicant. As I said earlier, Brigadier Topp, the pension's advocate, is here, and that is a matter entirely within the jurisdiction of the veterans bureau.

Q. Do you know how long it takes to prepare a summary?—A. Anything from a matter of a few days to months.

Q. You are really not in a position to give us much evidence about that?—A. No.

Q. In any event the appeal board finally granted the entitlement in October of 1950?—A. Correct.

Q. And there seems to have been 18 months during which there was argument back and forth about the retroactivity. Why did it take all that time? We find that the veterans bureau applied for retroactivity in January, 1951, and then it took three months for your commission to refuse it. Why was there that delay?—A. I will refer you to one item on page 17 of the legion brief: "On the 23rd November, 1951, C.P.C. decline application under 31 (3)." "On the 27th November, 1951, further application under 31 (3) by legion." "On the 7th of January, 1952, application declined." Maybe the legion can answer the question as to why it took from 7th of January, 1952, until the 19th of December, 1952, to make additional representations. I cannot speak for them.

Q. That was after their application had been turned down twice?—A. The commission can render no further decision until we are asked.

Q. Is there any reason why it should take the commission three months to rule on this matter of retroactivity, especially when the veteran's rights are very much involved?—A. There again I use the legion brief. "On the 31st December, 1952, additional representations were advanced. On the 5th January, 1953, application was granted." An interval of five days.

Q. I was asking you about the first application for retroactivity which was in January, 1951. There was no ruling until April, 1951. Page 16.—A. There is a period of three months, yes. What was your question.

Q. Why did it take that long to rule on the question of retroactivity?—A. Because we made examination, I suppose, into all the facts. The claim was made under section 31 (2) and 31 (3). Section 31 (2) requires that in cases of hardship and distress the commission may grant an additional six months. Therefore, the commission must make enquiries to find out whether the application under that subsection meets the statutory requirements. And, in section 31 (3) the requirement is: where owing to administrative or other causes beyond the applicant's control there was delay. There again we have to make enquiries.

Q. The case was in the process of going through the pension commission for all those years from the time of application until the award was granted. So, there was all that delay. Frankly, I do not understand why it took the commission six months to decide there was not any right to retroactivity.—A. I cannot explain any more than I have endeavoured to do. What we were dealing with initially was entitlement. When we come to deal with retroactive awards of pensions we have to meet statutory requirements, section 31, subsections 1, 2 and 3 of the Act.

Q. Then in July, 1951, the former deputy chairman replied outlining policy. That seems to have created some trouble, because we turn to the bottom of page 17 and find this: "Referring to Mr. Conn's letter of 24th July, 1951, it is noted he states application of section 31(3) should be restricted to certain types of cases within one year subsequent to termination of World War II. The inference being that following that period section 31(3) would not be operative. Also that 'ordinary diligence on the part of the applicant should result in finality of decision well within the time stipulated in section 31(1)'." Now, how do you explain that?—A. You are asking me to explain something said by the deputy chairman. On page 18, if you will follow, you will see that in a letter dated 17th of December, 1951, I agreed with the opinion of the Deputy Chairman and that was requested by the Legion. My opinion is entirely based on my knowledge and the experience I have gained as chairman of the Canadian Pension Commission. At the end of 1944, following representations on two different occasions I appeared before a committee of cabinet. At that time I asked consideration towards an extension

for a further retroactive period of award. I was aware of the basis of the discussion which took place. I was aware of the order in council which granted authority and that order in council in January, 1945, if my memory is good, closed with these words: that this order shall remain in force and effect for the duration of the war with the German Reich or for a period of not less than one year thereafter, whichever is the earlier. Therefore the opinion which I expressed, and which is quoted by the Legion, was based on the knowledge which I acquired in order to enable me to carry out my administrative responsibilities.

Q. Is the commission still working on that same basis?—A. The commission is working under the statute.

Q. Are you granting retroactivity still under that order in council to which you refer?—A. No, because the order in council was superseded by the statute, and we cannot deviate from the statute. Claims are considered under section 31(3) of the Act, in accordance with the statutory requirements.

Q. Will you explain now the amount of retroactive pension that can be paid under the statute as it exists at the present time?—A. Yes. A pension may be awarded from the date of grant, that is the date on which the decision is rendered by the commission. If the application was made more than twelve months prior thereto our award may be retroactive for twelve months. The second subsection of the Act says that in cases of hardship and distress the commission may grant an additional retroactive award not exceeding six months. There is the added proviso in the same section of the Act that where through administrative or other causes beyond the applicant's control hardship may ensue, the commission may grant a further retroactive period not exceeding eighteen months. Thus an award of pension which meets the three statutory requirements may be twelve months, plus six months, plus eighteen months, a total of three years.

Q. That is the situation at the present time?

The CHAIRMAN: That is provided in the statute.

Mr. GREEN: Eighteen months of that period can be allowed for the time the case is going through the Canadian Pension Commission?

The WITNESS: Not necessarily so. It is where there are administrative or other causes beyond the applicant's control. If the applicant sleeps on his rights and the claim is not before the commission, parliament certainly never authorized us to make an additional award.

The CHAIRMAN: Mr. Green, I can understand why, even though they have decided on entitlement, they have to make a further investigation, as to retroactivity because the statute provides that they may give the additional six months, where it is found that hardship and distress might otherwise ensue. That is a different investigation from the one deciding whether there is entitlement or not. They have to decide whether there is hardship and distress ensuing if they do not get the extra six months. Subsection 3 provides that for still further retroactivation, notwithstanding these previous limitations, the Commission may make an additional award not exceeding an amount equivalent to an additional eighteen months' pension where, through delays in securing service or other records or through other administrative difficulties, beyond the applicant's control, it is apparent that an injustice might otherwise ensue. As I understand it, the first point is whether there is entitlement or not and if entitlement is given without any question they can date it back up to twelve months. Then if there is application for further retroactivity there must be proof of hardship and distress that would ensue if it were not granted. That is another investigation. Then if a further application is made for a further eighteen months' rectoactivity, the question would arise whether the

applicant can prove that there was delay in securing records and so on, which is not in any way the fault of the applicant. As I understand it, that is the situation.

Mr. GREEN: Can you date your award back to the date that the application was first made?

The WITNESS: Up to the limitation imposed by the statute. I am glad that you asked that, Mr. Green, because the date of application considered by the commission is the date of a man's discharge from service, if a disability is recorded on his documentation at that time. Throughout the year we consider hundreds of claims arising out of World War I, if a disability is recorded on a man's discharge medical board and today for the first time he makes application for an entitlement. It may be a gunshot wound. Many men made no application before, but today these application are coming in because of the high cost of medical attention, advancing years, and some of these disabilities become more apparent. So if it is a gunshot wound, there is no dispute. The award is effective twelve months prior to the date of decision. We then determine the extent of the disability, and if the disability is of an assessable degree the pension is awarded over that period.

Mr. GILLIS: Mr. Chairman, I was just coming to the conclusion that the rest of us could have stayed upstairs. We are here this morning to examine this Pension Act and try to improve it if we possibly can. I do not think that anyone is on trial. The only point that arises out of the representations of the Legion on this particular matter, in my judgment, is the question of retroactive pension.

An Hon. MEMBER: Hear, hear.

Mr. GILLIS: It was not the Legion's desire or intention to charge anybody with negligence. They merely stated the cases, and the press then picked up the matter and put a headline on it and made everybody a little sore. In this particular case I would like to say this. In my learned friend's judgment, these slips, these medical opinions should be made available to anyone who has authority to look at them. If someone writes to me and says he wants—

Mr. GREEN: I did not say that, no. You are putting words in my mouth. I carefully told the chairman that I did not want to break down the restrictions on who could see the files.

Mr. GILLIS: I am not going to argue that point at all, Mr. Green, but I am going to argue this point: that if you are going to require production of intimate medical opinions rendered by medical doctors to patients, then you are interfering with the patient and doctor relationship.

Mr. GREEN: Yes.

Mr. GILLIS: The medical doctor is bound by his oath to respect in confidence and conversations or decisions which are arrived at between himself and his patient. If we are going to place a doctor in the position where intimate opinions he may render arising out of his relationship with his patient are going to become to some extent public property, then I think that doctors will become very reluctant to render opinions.

Mr. GREEN: But they are all available now.

Mr. GILLIS: Well, they should not be. They have not been up-to-date. They are available to the Pension Commission, but the commission has treated them as documents in confidence. I cannot look at my son's file unless my son tells me that I should have a look at it. That is the proper thing. I do not think if there is an involved case in which I am interested that I should have the privilege of examining intimate decisions of a doctor arising out of his consultation with his patient. I think it would interfere with the traditional relationship of doctor and patient. I have always looked upon it as

being equal to a confession. You would not make intimate confessions to a doctor on certain matters if you thought somebody was going to come along and have a look at them later.

I think that unless we want to see such doctor's opinions handled publicly we might be content with the précis on the file which is prepared for us by the commission. I do think they would withhold very much evidence. And in this case, while it may look as if there had been a lot of time spent, it was not the fault of the commission at all. The commission rendered its decision early in 1948. That was their initial decision. Then the case got into the hands of the Veterans Bureau. Once it gets into the hands of the Veterans Bureau it is out of the hands of the commission. Whether the machinery in the Veterans Bureau is adequate or not, is one of the points which arises out of the Legion's brief. The examination we should make is to see whether that machinery is or is not adequate.

I think that the Veterans Bureau has become overloaded. It was designed to look after the veterans of the first war. Then we have thrown in the veterans of the second war, and the veterans of the Korean war and the special forces, and I do not think we have done very much about building up the services which are necessary for the preparation of these cases. Instead of criticism for the delay resting on the commission, I think—and I would point up the fact—that we should take a look at the adequacy of the equipment in the service bureau. In any case the time that was taken, in my opinion, proves that the advocate who handled the case between the time of the first decision and the time of the final decision through the appeal board, used good judgment.

He was not in a hurry about it. He could have lost it. A complicated medical decision had to be made. The average doctor would not put himself on record and say it was this or that. But that advocate took his time and he got the proper evidence. I think that is proved by the fact that he won his case.

Two points stand out, in my opinion; first: it was not a matter of recrimination as far as the commission was concerned because the case was out of the hands of the commission when it got into the hands of the service bureau. Secondly, is there enough equipment there to handle the new load which has been placed on them? In my opinion I do not think so. A third point is the retroactive point. There has to be a cut-off somewhere, I know. However, a lot of men will come back. Although they may have disabilities they may still be able to work and they forget all about those disabilities. Years later they may break down and come back looking for a pension. Then you have to go away back and try to dig up medical evidence. It was the veteran's own fault in the first place. He should have applied earlier.

I think some consideration should be given to the question of making the retroactive feature go back to the date of the first application, should the reason be that he did not get his pension on the first or the second application, and it required a final decision by the appeal board. There was a difficulty of getting medical evidence but it was not his fault.

If the fault was occasioned by the fact that the service bureau did not have enough people to handle these cases expeditiously, that was not his fault at all. Therefore, the claim should go back to the date of the first application. That is all I have to say.

I did not agree with Mr. Green in the matter of making intimate decisions and conversations a matter of record and available where someone could go and look at them and see things which he should not see.

Mr. GREEN: This is all going down on the record to be distributed across the country to every Legion branch in the country. Mr. Gillis must not put words into my mouth. I did not say that at all. The actual decision, the

medical opinion, which is going on the record is this white slip from the department as I understand it. The record is available to the veteran or to his representatives. The commission is very careful about making any change in the people who could look at the file. My whole submission had to do with the white slip. At the present time there has been no overall medical opinion placed on the veterans file, as I understand it from Brigadier Melville.

The WITNESS: It is on the file but it is not available. The medical opinion is on the file in the form of a summary of evidence. If Mr. Gillis would allow it, rather if the chairman would allow it, I would like to make one observation applicable, and it is this: in any decision of the commission we endeavour to be very, very careful not to quote the name of the doctor whose opinion is on the file and who has dealt with the matter, because if we did so it would give rise to great concern.

When the case goes before the appeal board of the commission, the situation is entirely changed, because these doctors are there as witnesses, and the applicant is also there. Therefore their names will appear in the decision rendered by the appeal board. That is practically the only time—not entirely so, but nearly so—when the names of the doctors are mentioned in the decision.

Mr. GILLIS: I have no intention of putting any words into the mouth of Mr. Green. But I sat here and listened to him very carefully and the impression I got is very likely the impression that he created on the record.

Mr. GREEN: "Gosh", I hope not!

Mr. GILLIS: Well, you had better read it over carefully. That was the impression I received. I think we should get around to going over this bill and having a look at it and seeing what we can do to improve it. But the two things, as far as I am concerned, which stand out are these: First the service bureau; and if there was any delay in any of these cases, that is where it was; and the second point is that matter of the retroactive date. I think it should go back to the date of the first application.

By Mr. Quelch:

Q. I take it that the main purpose of the legion in placing those cases before us was to justify their request that the period of time in which the pension could be made retroactive should be extended rather than restricted, as proposed under the bill before us. I think they have made a good case in that regard and I think it would be advisable perhaps if Brigadier Melville would trace for us the history of the retroactive clauses. If I remember rightly, it was 1938.—A. No, 1936, Mr. Quelch. You mean the amendment?

Q. No; the time which curtailed it.—A. 1936.

Q. In 1936; at that time we restricted the period of time during which the pension could be made retroactive and the reason we did so was that we were afraid if that was not done, the amount of the pension might be so large that it might influence the pension commission in actually refusing to grant entitlement. So we cut down the period. I wonder if there would be any justification today for feeling that that would be the case and I cannot understand why the government considers it necessary to restrict the period to 18 months. That is what the bill before us is proposing to do.

An Hon. MEMBER: It allows three years.

By Mr. Quelch:

Q. It allows three years today but if the new bill goes through it will be only 18 months, and I think it would be advisable if we could just have that

history traced for us.—A. I made a digest, gentlemen, of the proceedings of the parliamentary committee of 1936. What Mr. Quelch has said is substantially correct. The two witnesses before that committee were the late Mr. J. R. Bowler, dominion secretary of the Canadian Legion, whose evidence will be found on page 132 of the committee proceedings of 1936, and the second witness was Mr. Richard Hale, chief pensions officer, and his evidence will be found at page 193 of the same committee proceedings. The witnesses stated—and we find this in the proceedings—that they felt some limitation should be put upon the period over which pensions should be paid retroactively. They also stated—and it is in the record—that there would be cases of hardships and distress and some consideration should be given to those. I quote from Mr. Bowler's evidence:

I do suggest that the way be left open for cases where there has been hardship and distress. Someone should have discretion to make a retroactive award in such cases—particularly those, for example, where a man made application some time ago. It may be a year or two years or three years ago. He was unsuccessful in the first instance, and as a result has incurred substantial cost for medical treatment, hospitalization and so on and so forth. He eventually succeeds. It seems to me that in the type of thing such as we are discussing now some provision should be made whereby he could be compensated for out of pocket expense which he would have escaped if his claim had been admitted in the first instance.

And then the second witness, Mr. Hale, said:

In connection with Section 17 of Bill 26 regarding retroactive pensions we feel that in cases of chronic diseases the one year limit is a little too small, because this class of case very often has already undergone heavy medical treatment with the resultant expense and there is quite a financial responsibility. Most of those cases do not claim until they are absolutely broke and when they have expended all their savings and everything they have.

We would like the committee to consider whether it would not be advisable to make it three years instead of one.

The chairman said:

Q. Would you be satisfied with an amendment to say that where it can be shown bona fide a man made certain expenses for treatment that he could be paid up to a certain amount, or up to two or three years back, whatever you like? Would that satisfy you, because that is your argument in the main?

The witness Mr. Hale replied:

That would satisfy us in so far as that particular type of case is concerned. If the commission had discretion where it could be shown these treatment expenses had been incurred, to make the pension retroactive for a period of three years.

Then the chairman went on to ask:

Q. That would be satisfactory to you anyway?—A. Yes.

Q. That would not take in all the other cases? There would only be a small number of cases where the men have actually paid out money?—A. There are those that are very difficult because the treatment for tuberculosis is a very expensive business.

Q. You are not against the principle?—A. We are not against the principle of restricting retroactive pensions, although I may say that we have grave doubts as to whether or not it will have the effect that you expressed, that more entitlements might be granted. I must say this, that in past years the amount of retroactive pensions was never considered much of a factor at all. In recent years it has become, of course, quite a factor, because of the lapse of time.

Mr. GREEN: I would point out to the committee that the next case which starts at the bottom of page 18 of the Legion brief is a pretty clear example of where the veteran applied and it took over 4½ years to get his qualifications and the commission could only pay 18 months retroactive pension. However, we will deal with that the next time. May I ask Brigadier Melville if he could give us a further breakdown of the figures he filed yesterday at Mr. Goode's request. They related to the claims granted and not granted during the period from the 1st of April 1949 to the 31st of March 1954. I was wondering if over the week-end the commission could get us a breakdown showing the different categories. I have here a list of what I would like.

In connection with the figures relating to claims granted and not granted during the period 1st April, 1949, to March 31, 1954, given by the Chairman of the Canadian Pension Commission before this Committee on Thursday morning, May 27, will the Chairman of the Canadian Pension Commission provide us with a breakdown of these figures under the following:—

1. How many of the death claims granted were allowed automatically, i.e., the veteran died of his pensionable disability or was in receipt of pension in classes 1 to 11 (50% or more)?

2. How many of the remaining claims referred to matters other than straight entitlement to pension for disability under Section 13 of the Canadian Pension Act or Widows' claims not included in question 1? i.e.—

Additional pension for wife and/or children.

Dependent parents.

Dependent brothers or sisters.

Helplessness allowance.

Last illness and burial expenses.

Clothing allowance.

Section 25 awards.

Others.

3. How many of the remaining claims concerned widows' applications other than those referred to in question 1?

4. How many of the claims concerned straight applications for entitlement for pension on account of disability under Section 13 of the Act?

5. How many World War I claims were granted at—

(a) First Hearing	1. Disability	2. Death
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(b) Second Hearing	1. Disability	2. Death
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(c) Appeal Board Hearing	1. Disability	2. Death
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6. How many World War II claims were granted at—

(a) Initial Hearing	1. Disability	2. Death
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(b) First Renewal Hearing	1. Disability	2. Death
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(c) Second Renewal Hearing	1. Disability	2. Death
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(d) Third and subsequent		
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Renewal Hearings	1. Disability	2. Death
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(e) Appeal Board Hearings	1. Disability	2. Death
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7. How many of the claims granted had previously been turned down as "pre-enlistment, not aggravated during service"?

1. Disability	2. Death
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8. How many of the claims not granted, where there had been service overseas, were ruled "pre-enlistment not aggravated"?

1. Disability	2. Death
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9. In how many disability claims, partially granted, where there had been overseas service, were rulings given as—

(a) pre-enlistment, recorded on enlistment, aggravated during service.

1. W. W. I. 2. W. W. 2

(b) pre-enlistment, obvious on enlistment, aggravated during service.

1. W. W. I. 2. W. W. 2

10. How many of the total claims described by questions 5 and 6 were actually granted within twelve months of the initial application?

11. How many applications were received by the Commission for additional retroactivation under Section 31 (2) and how many were granted?

1. W. W. I. 2. W. W. 2

12. How many applications were received by the Commission for additional retroactivation under 42 (2) and how many were granted?

1. W. W. I. 2. W. W. 2

13. How many applications were received for retroactivation under Section 31 (3) and how many were granted?

14. How many applications were received for retroactivation under Section 42 (3) and how many were granted?

I wonder if the chairman of the commission could try to obtain that information.

The WITNESS: I would be glad to have a busy week-end, Mr. Green. But, may I make it clear right now that the figures which I furnished on decisions rendered by the commission are under the heading "Disability". They have nothing to do with compassionate awards or clothing allowance for instance. Those are all extraneous, they have nothing to do with the entitlement decisions. I will do what I can for Mr. Green as I have always done for any member of this committee.

Hon. MEMBERS: Hear! hear!

The CHAIRMAN: Gentlemen, the House meets at 11 o'clock on Monday so we will adjourn now until Monday at 11.30 or immediately after the proceedings leading up to the orders of the day are concluded.

Mr. JONES: Will we be allowed to continue with the legion brief?

The CHAIRMAN: Yes.

Mr. JONES: A statement has been made that the delay in the first case could have been applicable to the legion. Would it be possible for a representative of the legion to give an explanation of that? I think it is only fair.

The CHAIRMAN: I do not know how much time the committee wants to spend on this matter.

Mr. JONES: Just on that one point.

The CHAIRMAN: I think it is fair to say that the legion's position was stated by Mr. Quelch. It was not to criticize the Canadian Pension Commission at all. The intention of their brief was misunderstood, and particularly wrong emphasis was put on it by headlines in the newspapers. That was cleared up by the statement the president of the legion placed in the record on the 24th of May. He stated in part: "Our brief was not an attack on the Canadian Pension Commission but was meant to establish the fact that there were delays in handling pension cases." Now, I tried to make that plain at the time and it was later confirmed by the president of the legion that their purpose was to pick out some cases to indicate that there were some delays which could not be avoided and that there should be more discretion to make pensions retroactive. They made it plain that they were not attacking the Canadian Pension Commission. I felt that we should only go into the individual cases where there was

any implication in this brief that the Canadian Pension Commission in fairness to itself might be able to explain showing the reason for what might appear to be unnecessary delay, but I do not think we should have an inquisition into all these cases.

Mr. GREEN: Did you not say that the legion would have an opportunity to answer anything they wished?

The CHAIRMAN: If they wish to make a representation I am quite sure that the committee will be prepared to hear them. I must say my own feeling is that their position has been made very plain in the matter. They brought these cases forward with a definite intention in mind and made it plain that they were not attacking anybody. They said that such delays are at times inevitable, that there will be delays from time to time. However if they want to go into the matter further it is a matter for the committee to decide how far we will go into it. I am suggesting to the committee that we should go into it only to the extent of being fair to everybody and that is all.

Mr. JONES: There is a serious statement on page 26 that I think should be cleared up. "Administrative error has cost this veteran almost 5 years' pension."

The CHAIRMAN: Where it is a matter of being fair to somebody, we should go into it, but only to that extent. Is it satisfactory to the committee that we will not meet on Monday until 11.30 or at such subsequent time as the proceedings leading up to the orders of the day are concluded?

Agreed.

The committee adjourned.

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Committee on 1152/54

HOUSE OF COMMONS

First Session—Twenty-second Parliament
1953-54

SPECIAL COMMITTEE

ON

VETERANS AFFAIRS

Chairman: **W. A. TUCKER, Esq.**

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 7

MONDAY, MAY 31, 1954

WITNESS:

Mr. J. L. Melville, Chairman, Canadian Pension Commission

EDMOND CLOUTIER, C.M.G., O.A., D.S.O.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1954.



MINUTES OF PROCEEDINGS

House of Commons, Room 430,

MONDAY, MAY 31, 1954.

The Special Committee on Veterans Affairs met at 11.30 o'clock a.m. The Chairman, Mr. Walter A. Tucker, presided.

Members present: Messrs. Balcom, Bennett (*Grey North*), Croll, Dickey, Dinsdale, Enfield, Gauthier (*Portneuf*), Gillis, Goode, Green, Hanna, Harkness, Henderson, Jones, MacDougall, MacLean, Pearkes, Philpott, Quelch, Stick, Thomas, Tucker, and Weselak.

In attendance: Mr. E. L. M. Burns, Deputy Minister of Veterans Affairs, and the following other officials of that Department: Messrs. G. H. Parliament, Director General of Welfare Services; W. Gordon Gunn, Q.C., Director of Legal Services; E. J. Rider, Research Adviser; C. B. Topp, Chief Pensions Advocate; E. V. Wilson, Travelling Inspector, Veterans Bureau. Also, Mr. J. L. Melville, Chairman, Mr. Leslie A. Mutch, Vice-Chairman, Canadian Pension Commission. Also, Mr. T. D. Anderson, General Secretary, and Mr. D. M. Thompson, Chief Welfare Officer, of the Canadian Legion, B.E.S.L.

The Committee considered Bill 339, An Act to amend the Pension Act, and in this connection Mr. Melville was again questioned at length regarding certain pension cases which had been brought up before the Committee by the Canadian Legion in their brief.

At 1.40 o'clock p.m., the Committee adjourned to sit again at 11.30 o'clock a.m. Tuesday, June 1, 1954.

A. CHASSÉ,
Clerk of the Committee.

EVIDENCE

MAY 31, 1954

11.30 a.m.

The CHAIRMAN: Order, gentlemen. Since the last meeting I have had a letter from Mr. T. D. Anderson, the general secretary of the Canadian Legion, Dominion Command, sent to me as chairman of the committee. It is dated May 28, 1954, and reads as follows:

In giving evidence before the Special Parliamentary Committee on Veterans Affairs this morning, Brigadier Melville, chairman of the Canadian Pension Commission, implied that the Legion might be able to explain certain delays involved in case No. 656/1 referred to in our brief of May 19, 1954.

The Canadian Legion will welcome the opportunity to again appear before your committee, when the chairman has finished his review of all seven cases referred to in our brief, so that we may answer the reference made to the Legion by him this morning and at the same time deal with any other points that may arise in connection with the other six cases.

If you would prefer, we would gladly appear after each case in turn, but it occurs to us that it might conserve the time of your committee if we appeared at the conclusion of the chairman's comments on all seven cases.

We understood from your remarks this morning that this privilege would be permitted us and we, therefore, make this request.

I put that letter before the committee so that everybody may consider it. What is being suggested there is apparently that we should consider whether the Legion itself is handling these cases expeditiously. I am very doubtful myself to what extent that is within our terms of reference or wise, because if the Legion appears to justify any action it took, then somebody else might decide that they wanted to argue about the matter. We are certainly not a committee to go into the way in which the Legion handles its business. However, I think it should be borne in mind that the basis of our going into all these individual cases was that if there were anything suggested by the Legion brief, in view of the way it was interpreted in the headlines of the newspapers, that the Canadian Pension Commission in fairness to themselves felt they should be given the opportunity to explain, they should be given it. But, I do not think that we should go much further than that with regard to these individual cases. I think that we should now ask Brigadier Melville if there are any further comments he feels he should make, in fairness to his commission, in regard to those remaining six cases, and bearing in mind what it seems to me is the extent to which we should go into them. Then, after we have heard those comments we could decide how far we would go into them again at the instance of the Legion. That seemed to me probably the best way to go about it. So with your consent I will call Mr. Melville again so that he can continue his evidence in regard to this matter, and at the conclusion of his evidence we will then decide what we will do in regard to the Legion letter and whether they should be called again.

Mr. GREEN: Mr. Chairman, it was my understanding that the Legion would have an opportunity to answer any questions that were raised by the pension commission in dealing with these cases. I think that it is easily seen why they want to deal with the question mentioned in the letter, because Brigadier Melville on Friday did lay the blame for some of the delay on the Legion. At least, he said that the Legion perhaps should explain why they had been so long in making certain moves. I do not see any harm in having that explained by the Legion. I do agree with you that it should be done after Brigadier Melville has finished his submission with regard to the cases which were mentioned in the Legion brief.

Mr. CROLL: That is not what the chairman said.

Mr. GREEN: That was what was said on Friday.

Mr. CROLL: But today the chairman did not say what you referred to. I know what the chairman said this morning, and that is not what he said.

The CHAIRMAN: I think that perhaps there has been a slight misunderstanding again. As I remember Mr. Melville's evidence—and I have not discussed it with him at all—there was a delay of a certain time, and he said quite properly: "We are not answerable for that, as we are not answerable for the delays when the matter is in the hands of the veterans bureau. The veterans bureau would have to answer for the delays while the matter was in their hands, and, of course, when it is in the hands of the Legion they are the ones who would have to explain that. I cannot be expected to explain that". Just how far we could go in calling on the Legion and the veterans bureau to explain the delays in these individual cases is a matter for the committee. But I just put out this word of caution, that it was a natural answer for Mr. Melville to make in effect, "I have no knowledge of the delay that occurred while the Legion or the veterans bureau were looking after the case, and you would have to call on them to explain it if you wanted it explained." That is the understanding that I had of the effect of his evidence. I think that we can assume that the Legion handles these things as expeditiously as it can, and if it is a difficult case it does not bring the case forward until it feels it has the evidence ready. I think we can assume that the Legion handles the cases as well as it can. I do not think there was any idea of putting the Legion on the spot or finding fault with them or anything like that. That is the way I look at it. I thought that maybe that explanation might avoid an appearance of recrimination, what I do not think it was anyone's intention to make.

Mr. GREEN: Before we go on with Brigadier Melville's evidence, Mr. Chairman, I received a letter this morning from the Canadian Merchant Navy Veterans Association. I presume that it has gone to yourself and every other member of the committee. In the letter they ask if they could appear before the committee. Could consideration be given to that question?

The CHAIRMAN: What I had in mind, Mr. Green, was that we would deal with it through the steering committee in the first instance. I mentioned this matter of the Legion because we are going right on with it, and on account of another committee meeting it was not possible to hold a meeting of the steering committee before the meeting. I thought that we could deal with this particular matter in the steering committee. I have not yet brought it before the steering committee because the time was very limited; but I do not think we should take up any time now in this committee when it can be dealt with in the steering committee.

Mr. GOODE: Just as a guidance to the committee, I would point out that you disallowed a personal letter to me to be considered by this committee, and now Mr. Green is asking that a personal letter to him be considered. He was the one who objected to my letter coming before this committee. I would take a very dim view of it if you allowed his letter to come before the committee.

Mr. GREEN: This is a letter which came to every member of the committee and which has come to—

Mr. GOODE: I did not get one.

Mr. GREEN: The chairman obviously did.

The CHAIRMAN: I got such a letter, and I intend to put it before the steering committee so that they can make a recommendation on it.

Mr. MACDOUGALL: If I remember correctly, we dealt with two of those six cases before, and we were taking each individual case. I think that we ought to give Mr. Melville an opportunity to deal with the remaining four, and then if any member of the committee wishes to ask questions thereafter he can take notes and ask Mr. Melville about them. Instead of dealing with individual cases, we could hear a resume made by Mr. Melville of the remaining four. If it is necessary to move that, I will so move.

The CHAIRMAN: I feel that the most expeditious way to deal with this matter would be, as Mr. Melville goes through the individual cases, to bring up any point that is in doubt as we go along. However I am quite prepared, if it is the feeling of the committee, that it would be the better course to have him make the statement without questions until he has concluded. That is satisfactory to me too. But I got the impression that he preferred to be asked questions and have everything cleared up as he went along. I think perhaps we should leave it to him as to the way he would like to deal with it at this point.

The CHAIRMAN: Now, Mr. Melville will please take the stand.

J. L. Melville, Chairman, Canadian Pension Commission, called:

The CHAIRMAN: How do you prefer to deal with these cases? Would you mind explaining your attitude to the committee?

The WITNESS: Mr. Chairman, at the opening session on Friday I was called as a witness and I was asked if I cared to make any statement with respect to the Legion brief. I said then that I was ready, willing, and anxious to answer any questions with respect to the seven cases cited by the Legion. That is what I said then, and that is my position today, and I have no statement to make. However, I am ready to answer any questions..

I have made no allegations against the Legion. I never had any such intention, and I hope that now my position is perfectly clear. While the Legion in the letter read by the Chairman said I was going to review the seven cases, I have not reviewed even one. I only answered questions which were put to me by Mr. Green.

In the course of his questions, Mr. Green referred to a delay of a certain period of time. I pointed out to him that if he would look at page 17 of the Legion's brief he would find when the decision was rendered by the commission, and mention of the time in the brief, when the case was referred to the commission for further consideration. The period, if my memory serves me correctly was 11 months and I made no comment at all. I was asked why there was the delay and I explained one period of time which referred to that one case.

The CHAIRMAN: Yes, that was my impression of your evidence, and I stated that I was given that impression without having discussed the matter with you. I feel that perhaps most of the committee had that impression from your evidence, and that you were only answering questions about any cases put to you.

Mr. HARKNESS: Mr. Chairman, I have one or two questions to ask in relation to the bill when it comes up as a result of the statement at the bottom of page 17 of the Legion's brief which reads as follows:

Referring to Mr. Conn's letter of 24/7/51 it is noted he states application of Section 31 (3) should be restricted to certain types of cases within one year subsequent to termination of world war II. The inference being that following that period section 31 (3) would not be operative

I would like first to ask: has it been the policy followed with the application of section 31 subsection 3 to restrict it to only a certain type of cases? Or to what type of cases has it been restricted?

The WITNESS: I think, Mr. Harkness, that point was dealt with on Friday.

Mr. HARKNESS: No, it was not, Mr. Chairman.

The CHAIRMAN: Well, then, it was pointed out. . . .

Mr. HARKNESS: I was intending to ask this question on Friday but I did not get an opportunity to do so.

The CHAIRMAN: It was pointed out, I think, by the chairman of the Pension Commission when he was discussing the section that it was their policy to administer the law as they found it, and the section was read into the record by Mr. Melville.

Mr. HARKNESS: Yes, the section was read into the record. But this particular question has to do with the opinion of the Legion and involving section 31 subsection 3 as being restricted to a certain type of case within one year subsequent to termination of world war II. Has that actually been the case?

The CHAIRMAN: Has it not been answered?

Mr. DICKEY: I think it is explained in the explanation of the bill on pages 3 and 4 of the bill in almost exactly the same terms as used by the chairman of the Pension Commission in this committee on Friday.

The CHAIRMAN: Well, if Mr. Harkness wants it to be put on the record again we might as well have it done. It would save time in the long run.

The WITNESS: The commission has not deviated from the statute, and a case is not allowed to come under section 31 subsection 3 unless there are administrative or other causes applicable thereto. If the claim meets with the statutory requirements, then an additional period, or whatever term is necessary is granted.

By Mr. Harkness:

Q. In other words, the statement that it was restricted to certain types of cases within one year subsequent to termination of world war II is not correct.—A. Not substantially so.

The CHAIRMAN: Are there any further questions?

The WITNESS: Might I answer a question which Mr. Green asked and thereby clear the record. Mr. Green gave me my homework for the weekend, two full pages of questions. Might I say that the answers to practically all of those questions will be found in the annual report of the department and the report contains my letter to the minister outlining the activities of the Canadian Pension Commission in the preceding year.

Supplementary to that report there are innumerable statistics all of which are kept through the good grace and friendly co-operation of the chief treasury officer, and not by the commission.

The commission renders decisions and once those decisions are rendered they eventually find their way to "records", and are classified under various headings—I am very happy to say we have found these records to be excellent and they almost, without exception, contain the answers required by the honourable member. I have most of these ready now and they will be tabled, with the possible exception of some for which we do not maintain the records.

By Mr. Dinsdale:

Q. I have a general question to address to Brigadier Melville. During the discussion on Friday there was a suggestion that the Veterans' Bureau might be somewhat overworked. I wonder if Brigadier Melville can indicate whether that same situation might apply to the Pension Commission? In the Pension Act section 3, subsection 2 it says that the commission shall consist of not less than 8 commissioners who shall be appointed by the governor-in-council, but, in his discretion the number of commissioners may be increased to 12. Is the number up to full strength now?—A. At present there are 11 commissioners including the chairman, together with ad hoc commissioners, making a total of 14 in all.

Q. Apparently there are additional commissioners and you feel that that number is quite adequate to deal with the volume of work?—A. That question gives me an opportunity to say that the work in the boardroom of the commission is cleared every day. There are approximately 300 cases which go into the boardroom each day and my colleagues do not leave until all the files are cleared out of there. That is not an idle statement; that is a demand that is required. And of those 300 that come in every day, it has been my personal knowledge that 70 to 80 are entitlement cases dealing with disability or death. Following the question asked by Mr. Goode the other day it occurred to me, when I went home—if the number of cases I gave would correspond with the statistics supplied by records—that is, according to what I retained in my mind of how many cases were dealt with.

I know that 70 or 80 cases of entitlement are dealt with by the commission each day. There are now 5 working days a week, and that would make, let us say, 360 cases in a week; and in a year, let us take 50 times that number, and it comes out to 18,000 cases. Then I wondered what the figure was which I gave to Mr. Goode and I took that figure of Friday as 89,515 over a period of five years, and that is 18,000 per year. I was gratified to remove that doubt in my mind because it was substantiated by the records which were supplied by the Chief Treasury Officer, another department of government altogether.

Q. Thank you for that information. Now, on March 24 you tabled report No. 77 in answer to a question I asked about outside activities engaged in by members of the commission. At that time you indicated that there was only one such member who was engaged in duties other than those connected with his—Canadian Pension Commission activities. Now, it would seem that under the Act, section 3, (12) participation in outside activities by members of the Canadian Pension Commission is quite in line as long as permission has been given and it does not interfere with their activities as members of the Canadian Pension Commission. Is that the only case of such a situation existing?—A. The commission are required to give their full time to the job and they do. The answer was furnished by my minister to a question in the House.

The information which was given is entirely in accordance with the facts. The commissioner concerned gives absolute full-time to his job. I know of no one who voluntarily gives more extra effort when I call upon him than the said commissioner.

Q. Could you say, Brigadier Melville, if there is any member of the commission who is engaged as a remunerated inspector of hospitals for the joint commission on the accreditation of hospitals—I think it is an American hospital association. That suggestion has been made to me.—A. I have no knowledge personally of the reference which you make, Mr. Dinsdale, but I have said—and it is an attitude I hold personally as part of my way of life—if I or any of my colleagues can render any public service at any time which does not interfere with the duties and responsibilities of my office I stand ready and willing to do it.

Q. I think that is a very good stand to take, but just pursuing this a little further, it seems, Mr. Chairman, that there is some difficulty which arises from time to time concerning the diagnosis that is referred to as a lesion disc and also multiple sclerosis. I know these are cases which come to my attention most frequently which run into difficulty with the Board of Pension Commissioners. Now, in the case of this lesion, apparently it is a recent medical diagnosis. The problem which arises is that no physical difficulty can be discovered giving rise to this problem, and in the cases I have contacted it would seem that the responsibility falls upon the veteran applying or appealing to prove that there is actually some physical disability, associated with this back condition.—A. I am very anxious and glad to help you, Mr. Dinsdale. That is not quite the situation. The commission does not establish diagnosis—we never do. The responsibility of the commission is laid down in the statute. That is, to determine whether disability or death is attributable to service. When a claim comes before us we are furnished with the medical certificate or if the patient has been in hospital under the treatment facilities of the Department of Veterans Affairs we have the benefit of the advice and assistance of the very best medical opinion in this country. On the conclusion of treatment, diagnosis is established. If a veteran claims for a disability as being related to his service—he might even have a certificate from his own medical officer—but if there is an entry on his service documentation which would indicate that there may be some relationship between his claim and that condition on service, the commission takes advantage of an excellent provision which has been in effect for many years and that is section 27 of “treatment regulations”. Section 27 of “treatment regulations” provides that on the request of the Canadian Pension Commission a member of the forces may be admitted to hospital for observation and diagnosis under the treatment facilities of the department. The commission is the only board that has the power to authorize that admission for observation and diagnosis. When a veteran comes in with respect to a complaint regarding his back—which is probably the case you have at the present time—it is a little bit obscure. If he goes into hospital at the request of the commission, it is arranged under that treatment classification. He will get hospital allowance which is equivalent to 100 per cent pension less the small deduction for hospital maintenance. It is not fair to ask him to go in and sacrifice a certain amount of his time to establish something which undoubtedly is in his best interests and which would assist the commission in its adjudication. So for the period he is in hospital for observation and diagnosis he receives treatment allowances, as they are now called. That is the procedure which is in effect today.

Q. In the case where no physical disability is discovered and the veteran still continues to complain of a pain in the back or in the case of multiple sclerosis a continued loss of the use of his hands, legs, and so forth, is there any

psychiatric basis on which the diagnosis could be established because it seems to me in the cases I have contacted that this difficulty might not have any physical basis but it might be a psychiatric or psychological problem of conversion hysteria or shell shock as we used to call it. What would be the procedure followed by the medical examiners if no physical disability could be discovered? Is the matter just dropped or is there an attempt to diagnose it as a psychiatric problem?—A. The matter is not dropped. These cases are very serious problems to the commission, to the department and to the medical consultants. The commission, on the evidence available at the time they render their decision, has possibly disallowed the claim. The statute then provides a procedure which is open to the veteran in the advancement of his claim, and informs him that there are facilities available to him, namely, the Veterans Bureau of the Department of Veterans Affairs or the service bureau of any of the national organizations of exservicemen, or he may employ his own advocate at his own expense. The commission is not in a position to do it; but if he goes into a hospital then it becomes the responsibility of the examining doctors to refer him to whatever clinic is desired or whatever branch of medicine is desired in order to assist in arriving at a diagnosis; and may I say from my own experience from seeing files in thousands of cases that treatment facilities of the department and the services of medical officers are inexhaustible in the efforts they make and in all they strive to do to assist a veteran in arriving at a diagnosis of his condition and of the treatment which may be required to relieve him.

Q. So it could be that psychiatric diagnosis for one of these problems might be regarded as suitable evidence or as a suitable basis for a claim for pension for disability? I know it is a very obscure problem, but it is occurring more and more frequently that these ailments are not physical but psychological, and I am just wondering how far you can go in meeting a disability claim with a complaint that is purely mental or psychological?—A. I think Mr. Dinsdale will agree that his question is almost as obscure as the disability. I do not mean that in any derogatory sense, but how can the commission rule that a disability is attributable to service if the diagnosis of the condition is not established? You cannot rule on something for which you have not got a diagnosis. We have the advantage the best treatment facilities of the department.

Q. That is the point I wanted to make. A case such as that would be referred back to veterans allowance, I suppose?—A. No, not necessarily. Again, the regulations of the department with respect to treatment of veterans are wonderful, particularly those veterans who are unable to provide treatments at their own expense. In addition to that there is the war veterans allowance and as a former commissioner of the War Veterans Allowance Board there are certain requirements that have to be met. The veteran must be physically and mentally incapable of maintaining himself or totally unemployable before he can be given an allowance under the War Veterans Allowance Act provided he meets the other requirements.

Q. Just one more question and then I am finished. I admit perhaps my question was obscure, but it is quite possible with competent psychiatric skill to diagnose emotional problems if attention is given to the matter.—A. I quite agree that it is often impossible to establish diagnosis. Very often what is a serious progression of the disease gives the clue which establishes the condition which has been in existence for some time. May I say that no one does more to assist it in reviewing and helping the case than we do, and the department is doing the same thing.

By Mr. Green:

Q. Mr. Chairman, I would like to go over these other cases presented by the legion. The second case is case 148/3 on page 18 of the legion's brief. According to the legion brief the application was only granted after a period of about 4½ years from the time when the application was first made. On page 20 you find this comment: "This case took over four years to bring to a successful conclusion. The man had not been able to work since October 1947—only 18 months' retroactive pension was paid." Then the final paragraph reads: "The submission which produced the favourable decision of the 23rd October, 1952, did not contain any new evidence. It was a thorough review of all evidence which had been before the C.P.C.—some of it many times." Now, as I understand it, the main purpose of the legion in submitting these cases was to get some extension of the retroactive provisions of the Act, whereas in the bill we are considering the retroactivity is to be reduced. Could you comment on that particular case, Brigadier Melville?—A. Gentlemen, I am grateful to the legion for bringing up this particular case for this reason, that it affords me an opportunity—and, Mr. Green, may I suggest that I have quite a lengthy precis—a wonderful opportunity to illustrate why the Pension Act of Canada is the finest Pension Act in the Commonwealth.

Some hon. MEMBERS: It Hear! Hear!

The WITNESS: It also gives me the opportunity to illustrate the value of evidence, and further illustrates the value of the "benefit of the doubt". Mr. Green has said that in the legion brief with respect to this case it concludes with this observation: "This case took over four years to bring to a successful conclusion", and goes on to state "The submission which produced the favourable decision on the 23rd October, 1952, did not contain any new evidence. It was a thorough review of all evidence which had been before the C.P.C.—some of it many times." That statement is entirely in error. It is not supported by the documentary records on file. These records were examined by the legion, and I am now going to briefly review the record, and what I now have to state comes from the further examination of this file by me yesterday. This is the tragic case of a World War II veteran who enlisted in December, 1940, at the age of 24 and was discharged in March, 1945, after service in Canada and England. Let me examine his discharge board, M.F.B. 227—and these extracts I quote are from the board. He served in England from November, 1941, to November, 1944, three years. His discharge was "Non-medical discharge. Reduced requirements." He had no complaints during his service. His category on discharge was A.4.b., which is high. He had no service illness, only record defective vision for which he was examined. On the day before his discharge, as happens in the case of all members of the forces as you will remember in World War II, an interview was carried out for rehabilitation purposes. His service interview form in Calgary, which is dated the 8th of March, 1945, the day prior to his discharge, states: "A straight forward young man, who realizes his own capabilities and failures. Is a quiet, unexcitable type. Has passed examinations for civil service with the city of Lethbridge and would like to return as a mail clerk. Failing that, he would like to take a vocational training course in electricity." The interviewer goes on to state from the same report: "This N.C.O. has already passed examinations for the civil service and should make a good mail clerk. A courteous, pleasant and mature type of person." Now, there is the veteran. That is the man discharged and that is the case we are considering. The commission got the proceedings of that discharge medical board and we read what I have stated to you now. There was no disability at discharge, and no pension is indicated and we PAd the file. Now, I examined his post-discharge history to see what happened to this veteran. He was employed as a clerk in the Land Titles office

from March 13, 1945 (4 days after discharge) to October 1, 1947, (over 2½ years later) and his chief reports he was steadily employed until admission to hospital, his work was satisfactory and he was a quiet conscientious type. Dr. Crom, who was a friend, states:

"Was overseas with this man 1941-1942, and he was always a studious type who took his duties seriously and was reserved and only occasionally went out with the boys." Another friend states: "Man was reserved and there was no suspicion of anything wrong until shortly prior to admission to hospital". There is no mention of disability until October 1947 when the superintendent of Ponoka Mental Hospital, states he has been unable to arrive at a diagnosis, and on the 7th December, 1947, the superintendent of Ponoka Mental Hospital refers to diagnosis of schizophrenia and poor prognosis, and states: "I regret that it is not possible for me to say whether or not his mental state was affected by service. Patient himself, for what it is worth, states he was discharged as fit in March, 1945." On the 23rd April, 1948, the commission received the first application for pension. On the 16th June, 1948, which was within the two months—and within that two months we had to apply for service documents, we had to review them and try to find out some of this post-discharge history which I have read to you; we got that information—and on the 16th June, 1948, within two months we rendered our initial decision: "Pre-enlistment, not aggravated."

It was considered that the condition was inherent in his make-up, and we could find no evidence of any aggravation during service, because there was no incident during service, no sickness during service, and there was nothing at the time of discharge. The commission advised—not the applicant because in this case we could not communicate with the applicant—we advised his father of our decision and of the action open to proceed further with the claim. That claim came forward for renewal consideration on 25th September, 1948, on 17th February, 1949, on 26th May, 1949, and again on 29 October, 1949, when we could find nothing to warrant a change in our previous decisions. On the 18th November, 1949, an appeal board heard the claim. I have the original decision of the appeal board in front of me, Mr. A. Wakelyn of the Veteran's Bureau was the advocate. We heard the evidence of the father. The proceedings state that the father was an excellent witness. He advised regarding his son. The wife appeared as a witness and gave her testimony. The advocate requested a post-hearing to be heard at London, Ontario, for the purpose of hearing the evidence of a doctor and his nurse. The request was granted. So the appeal board reviewed the situation up to date and they then referred the case of a post-hearing. That was, as I said, on 18th November, 1949. The post-hearing was heard in London, Ontario, on 23rd January, 1950, and I would consider that very expeditious, for the purpose of hearing the testimony of the doctor. The doctor's verbatim testimony now forms part of the record. That evidence was sent to the advocate because he requested adjournment for post-hearing in London, Ontario, and was given the opportunity for further comment. The appeal was disallowed on 24th March, 1950. On the 27th July, 1950, an application for leave to reopen was heard by an appeal board and was not granted. The reason was that the application did not meet the statutory requirements, as no error was shown in the previous decision.

Mr. GREEN: There was no new evidence.

The WITNESS: No; that was on 25th July, 1950. On 6th May, 1952, the Legion headquarters submitted an application for leave to reopen. I received the application and named a board of three of my colleagues to constitute that

appeal board and I advised the Legion that we were ready and they could proceed to prepare their brief for presentation before the appeal board. The actual hearing took place in Ottawa on 10th June, 1952. When the Legion appeared before the appeal board—I have here the Legion's presentation and their summary—the entire claim was based on "new evidence" and the Legion's application and new evidence is in parenthesis. That is the basis on which the application for leave to reopen was submitted. This application for leave to reopen under provisions of section 65 (4) of the Pension Act was heard in Ottawa on 10th June, 1952. The applicant was represented by Mr. Cracknel of the Canadian Legion. Its claim was based on "new evidence" only, namely, a certificate by the chief psychiatrist at Westminster Hospital, London, Ontario, Dr. E. V. Metcalfe. The claim was dated 22nd May, 1952. The specialist stated:

Therefore it is my firm and professional opinion that the illness Collins is suffering at the present time had its inception while he was serving in the R.C.A.F. in spite of the fact that for about two years he was able to carry on with his work. It is not an uncommon thing for people who are mentally ill to carry on for some time even though their delusional set up persists. When the delusions become strong enough then of course it is easy for anyone to see that the person is definitely mentally ill.

It is not an uncommon thing for people mentally ill to carry on for some time even though their condition persists. There are certain features of this case, gentlemen, which I prefer not to discuss, for reasons which were mentioned by Doctor MacDougall when he spoke before this committee last Friday. The reason for the decision of this appeal board now concludes:

In view of the very definite statement of Dr. Metcalfe, this Board is of the opinion that leave to re-open should be granted in order that the whole subject matter may be again placed before the Commission.

That, gentlemen, is in accordance with the manner in which applications for leave to reopen are considered, and therefore I am grateful that the Legion cited this case, because it gives me an opportunity which has not happened before.

Mr. GREEN: The leave was given by the appeal board.

The WITNESS: It must be. There is no other authority. The appeal board granted leave to reopen. Leave to reopen having been granted, all that had happened in the past was wiped out, and it became a case de novo. It came before the Commission and the Legion were asked, "Have you any additional evidence to submit now before our initial decision is reviewed?" The Legion said that they were ready, and on the 24th July, 1952 the commission gave an initial decision—"pre-enlistment, not aggravated". On the 21st August, 1952, the Legion submitted an excellent and complete review, requesting renewal consideration. On 2nd September, on 9th September and again on 15th September, the chief pensions officer of the Legion submitted additional evidence, evidence from men who had served with this man and who had personal knowledge of his physical and mental condition, and I am quite ready and willing to quote from these letters, because they are on the file record, but I do not think it is necessary. They constituted important evidence. On 15th October, 1952, this whole case was the subject of a very thorough and exhaustive examination by the senior medical adviser of the division with the Legion's supporting testimony on 2nd September, 1952, again on 9th September, 1952,

and also on 15th September, 1952. The case then came before my colleagues, and a claim was made for what is known as renewal consideration. The claim was considered on first renewal, on the 21st of October, 1952—but perhaps I had better read the decision:

Decision of Commission:

Service—9.12.40 to 9.3.45—Canada and England

This case was again carefully reviewed in the light of the record, medical findings and additional evidence submitted, and the medical evidence in hand now indicates that there is a reasonable doubt in the present case that there was aggravation during the period of service of the above pre-enlistment condition. There is no pre-enlistment medical record and the condition is not considered to have been obvious on enlistment.

The Commission rules:

Schizophrenia—Pre-enlistment condition, not recorded on medical examination prior to enlistment, nor obvious, aggravated during service in a theatre of actual war, entire disability pensionable under Section 11-1-c; effective 12 months prior to date of this decision.

And that, gentlemen, in my opinion constitutes a wonderful review. It allows me, frankly, to pay tribute to the Legion for collecting the evidence and also to make this observation: that the original treatment which this man received was in a provincial institution.

I am not criticising that treatment, but there was a lack of information. He was transferred from the provincial institution to Westminster Hospital under the treatment facilities of the department. It came under the neuro-psychiatric department. They took a personal interest in it and submitted this report, and it was on the basis of that report we resolved the benefit of the doubt in his favour. We reviewed the new evidence and conceded entitlement.

By Mr. Green:

Q. It does not appear that there was no new evidence according to Mr. Melville he says, or that there had been new evidence.

There could be 12 months retroactive entitlement from the date of the award. If there had been no 12 months limitation contained in that statute, would a case of that kind be granted retroactivity to the date of application?—A. Parliament would have to tell me that. I can only tell you what the Act says, and it is that an award shall be effected from the date of grant or twelve months. The commission gave the maximum period allowed. From the date that the Legion appeared before the appeal board of my colleagues to request that the applicant be given leave to re-open the favourable decision was rendered 4½ months later.

Q. Could this man not have had 6 months additional pension on the basis of hardship?—A. Yes, on the 27th of May, 1953, 6 months retroactivity was granted and the grant was made to him under the provisions of the statute.

Q. Would this case have been eligible for the additional 18 months under section 31 sub-section 3?—A. You are now asking me to give a decision of the commission. I am chairman of the commission. The commission cannot render a decision until all the facts are before it. I am not in a position to state whether there were administrative or other causes on the part of the applicant particularly. Unfortunately, he was non-compos mentis; but this man was normal at his discharge and for 2½ years thereafter.

The CHAIRMAN: The fact that the Legion did not apply under that section would indicate that they did not think it was applicable.

The WITNESS: A formal application must be made.

By Mr. Green:

Q. Under section 31 subsection 3?—A. That is right.

Q. The next case is 134/12.

By Mr. Dinsdale:

Q. I was interested in the original decision of pre-enlistment not aggravated as a result of an inherent condition. Upon what evidence was that decision reached?—A. All I can say is that the opinion in that regard was that it was an unfortunate mental condition. These conditions are constitutional in origin and are inherent. I am not a doctor, I am an engineer by profession. I have sought opinions not only in Canada, but in the United States as well. We have also taken advantage of the wonderful cooperation available to us at all times through the British ministry and we have made enquiries under their auspices.

Q. I was wondering about the description of the condition as being inherent because there is a large body of opinion which says that we are all potential schizophrenics.

The CHAIRMAN: Is that confined just to members in Parliament or to the general public?

Mr. DINSDALE: It is not necessarily constitutional or biological. It is psychological, and I was amazed at that decision.

The CHAIRMAN: I think it is true, Mr. Melville, under this decision that that "schizo" theory is held to pretty unanimously by psychiatrists.

The WITNESS: I have talked to I do not know how many, and argued. I have the same sympathetic regard that you gentlemen have for members of the forces who are unfortunate mentally. I have gone time without number to the leaders of that particular branch of medicine and sat down with them and said: "Can you clear up my mind on this point"? But I just have not got away from the statement which I made a short time ago, and that is medical opinion.

The CHAIRMAN: Are there any further questions?

By Mr. Green:

Q. There is a feature about the case in that in June, 1948, the Pension Commission ruled the schizophrenia as pre-enlistment not aggravated; and in October 1952, they ruled that the same condition pre-enlistment was aggravated, and qualified for pension.—A. The letters are the 2nd, the 9th, and the 15th of September and all of them constitute new evidence. The body over which I preside was and is willing at all times to consider new evidence.

The CHAIRMAN: The new evidence had to do with the period of service during which you found that this condition had been aggravated; it covered that period of service, as I understand it?

The WITNESS: The letters of the Legion I think referred to the facts and to 3 persons who knew the unfortunate applicant. Their evidence was considered to be material, and that the disability developed from the time of discharge from service up to the time we considered the application.

Mr. CROLL: Plus the letter which you had from the doctor, while he was serving and the medical evidence on top of that. All that changed the opinion. New medical evidence plus the Legion's statement brought about a change in the opinion.

By Mr. Dinsdale:

Q. Have you ever seen "Shades of Grey"? It was put out by the American army on this problem?—A. No.

Q. The basis is that we are all potentials, different shades of grey. I think it is very important with some of these opinions.—A. I have said on many occasions; "There, but for the grace of God, go I". We are so constituted that it does not take very much to tip the scale.

I think we can say that as far as we are concerned, we can maintain that balance. But someone who is put under stress and strain of service—not even battle action—but with some very unfortunate individuals on account of compulsion and rigours of service—the scale is tipped. When we find that "service" was a factor, we are glad to concede.

Mr. GREEN: Cases 3 and 4—

Mr. BALCOM: At the time that this case was admitted to the provincial hospital, that was really the only hospital to which he could go at that time or for which he was eligible. He had no disability which would admit him to a D.V.A. hospital, so he was admitted to a provincial hospital?

The WITNESS: That is right.

Mr. BALCOM: That was the only place to which he could go?

The WITNESS: That is right.

Mr. BALCOM: Do these dates outlined on page 19 coincide with the dates of your records?

The WITNESS: That is probably the date the advice was sent to the Canadian Legion and the date the actual decision was rendered.

Mr. GREEN: Case 134/12 commencing on page 20 is summed up as follows: "The delay was due entirely to an administrative error. This error caused the delay of approximately 11 months in the preparation of this claim." It looks to me as though this is a matter for the veterans bureau to explain and not the commission unless you have some comments?

The WITNESS: I would be glad to comment. Case 134/12 concerns a pensioner of World War I who died at the age of 52 from coronary thrombosis, arteriosclerotic heart disease and diabetes mellitus on the 9th of December, 1952. On the 24th of January, 1953, the commission ruled that the death was not related to pensionable disability nor attributable to service. That was our first hearing because it was a World War I claim. The widow was advised of the provisions of the Act and of her right to proceed with her claim further. On the 20th of May 1953 the Legion forwarded the widow's request for second hearing. On the 30th of May, 1953—four days later—the Canadian Pension Commission wrote to the widow advising her of the acceptance of the application and that the veterans bureau would prepare a summary of the evidence. I have reviewed this file and for the balance of May, June and for some time in the month of July I see that the advocate was very busy preparing the summary of evidence. He wrote to head office in order to get copies of certain documentation to make sure the head office and district files were complete. On the 5th day of January, 1954, I received an inquiry from a member.

By Mr. Green:

Q. From whom?—A. A member. In fact, Mr. Green, a member of your own party.

Q. Good!—A. As I always do when I get inquiries from members, I reviewed the case from beginning to end. The inquiry in this case was about

widow's allowance, therefore I advised that I had referred the file for the attention of Colonel Garneau and I got a letter from the widow herself and I replied to her on January 5th, 1954:

Dear Madam:

You have addressed a letter to me in which you advance certain reasons in support of your claim for widow's allowance.

As widow's allowance is administered by the War Veterans' Allowance Board, a body separate and distinct from this Commission, I am referring your letter there for consideration and further reply.

In so far as the Pension Act is concerned, I note the Commission on January 24, 1953, rendered a decision that your husband's death on December 9, 1952, from coronary thrombosis and arteriosclerotic heart disease and diabetes mellitus at the age of 52 was not related to the pensionable disabilities nor attributable to service. The Commission also noted you nominated the Canadian Legion to represent you in the advancement of your claim to pension, and for further advice in that regard I refer you to the Legion Service Officer in Hamilton, with whom you evidently have been in contact.

The Commission cannot render a further decision until advice is received from your advocate that the claim is ready for Second Hearing decision.

I sent a copy of that letter to the Legion headquarters for the attention of Mr. Tennant who had advised the commission that they had been nominated to represent the widow and I also sent a copy of my letter to the honourable member who made the inquiry. A further letter was received from the widow and this time representation was made to the Prime Minister and she was advised by the Commission of follows:

Dear Madam:

Your recent letter addressed to the Prime Minister has, as you know, been referred to this Commission for attention and reply.

In looking over our file it is noted that the Chairman of the Commission quite fully informed you of your pension status on January 5th last, and consequently there is nothing further that I can add at the present time. The Commission can only deal with your case when advice is received from your Advocate that the claim is prepared for adjudication.

I note also that under date of January 27th the Secretary of the War Veterans' Allowance Board wrote to you and advised how your claim stood under the enabling authority of the War Veterans' Allowance Board. I will, however, refer your letter to that Board to note the contents thereof.

On the 13th of April, 1954, the summary was forwarded by the Veterans Bureau to the widow. May I say that claim has not so far reached the commission for a second hearing. We are awaiting the formal application from the advocate to say: "Here is all the evidence and we await the second hearing decision of the commission." I am not taking any personal hurt, let me declare, but I would say this, gentlemen, in all fairness that the service officer in Hamilton is in the office of the advocate every day or every second day. I have never yet been in Hamilton that I have not met him and we are very good friends. If he was of the opinion that a considerable interval was elapsing without a summary being prepared all he had to say to the advocate was: "Could you speed this up?"

The Legion cite this as a case of delay and not necessarily as a charge that the delay was on the part of the Canadian Pension Commission. Actually we cannot render our second hearing decisions yet.

By Mr. Green:

Q. Apparently the delay was due to an administrative error and there does seem to have been a very long delay in the Hamilton office of the advocate in completing that summary?—A. Yes, and the commission is not infallible, we all make errors—and I hope we can stand up and admit it at any time. I say when an advocate takes a claim he must share some of the responsibility in following up the interests of his client.

Q. In other words what you are saying is that the Legion are partially to blame in that they did not keep worrying the pension advocate in Hamilton? To prepare this summary is it necessary to get any extraneous evidence or merely to go through the file and prepare a summary of the evidence?

Mr. BENNETT: It is a statement of claim.

The WITNESS: It is a statement of claim and as Mr. Green is a lawyer he is much better versed than the chairman of the commission as to what is required. In the case of a World War I veteran the advocate takes the district office file and looks up all the relative documents and says that he has not got this and he wants that. He reports to head office and asks for any additional documentation on their files which would help him with this claim. When the summary is completed in so far as the advocate is concerned—and Brigadier Topp should be speaking—he mails the summary to the applicant and notifies the commission: "I have today mailed it to the applicant." The applicant then is responsible for studying the summary of evidence and seeing whether he would like to add anything to that. He has the opportunity of completing the summary and when it is complete, and not until then, it is submitted to the commission and we are in a position to render our decision.

By Mr. Green:

Q. Then the fourth case is very much the same, page 21, commencing at the foot of the page. There seems to have been delay in preparing this summary of over a year and the legion quote a paragraph from a letter of the veterans bureau which reads as follows: "It is very much regretted that due to inadequate stenographic staff and due to the fact that some of our girls have been absent as a result of illness, the preparation of summaries has lagged and we are considerably in arrears in this regard. However, you may rest assured that this office will proceed as expeditiously as is possible in the circumstances." Apparently there the delay had been in the office of the pensions advocate and about a month later the summary was received. Have you any comments on that?—A. No comment beyond this. Again I would say that the legion is not directing any criticism against the commission. There was an unfortunate administrative error for which the chief pensions advocate is on record as regretting. The legion service officer had the case in August, 1953, and the summary was mailed to the legion in May, 1954. What happened with it in the interim I do not know.

Q. That would be a matter for the veterans bureau to explain, I take it. In the next case at the top of page 23, this does seem to have something to do with the pension commission. I refer particularly to the statement that the legion on the 13th May, 1953: "Obtained information from War Service Records that there were sick bay reports (11 entries) which were not considered by C.P.C. in their decision." On the 21st May, 1953, they requested a supplementary first hearing and on the basis of these entries a request was granted on the basis of the entries and on the 26th November, 1953, we find: "Report

obtained from pathologist (B.C.) on additional details of autopsy which C.P.C. did not endeavour to get." And then the final paragraph contains the complaint that: "In two instances in this case there was relevant information which the C.P.C. did not obtain." What comment have you on that?—A. I am ready to comment on this case, number 55, which the legion list as 395/6. I won't go into the details of the case. I do not think they are necessary. Mr. Green makes the point that the legion wrote the director of War Service Records regarding sick bay reports from November, 1949, to March, 1952, and that these were supplied to the legion. Again I have the chance to explain the workings of my commission. When an application for pension is received, as was done in this case, the commission asks the director of War Service Records for the war service records of that applicant and we get a docket. That docket contains all the information that has gone into the war service record of that individual. Now, you have the benefit of having an advocate. The man then says:

I was in sick bay certain times and the records must be available. At this point, I have a letter which I happened to notice in my desk last week. It is dated the 25th May, 1954, from the director of War Service Records and he says this: "Re Collective Medical Records. These records, presently on file in our library, consist of several million morning sick reports (on which two or more names appear) and approximately 20,000 MIR books; treatment and prescription books; Canadian navy sick bay records; RCAF unit and station sick quarters books and navy, army and RCAF hospital admission and discharge registers.

The records concerned are arranged in chronological order (1939 to 1953) by army unit and/or camp; by navy ship and/or shore establishment; by RCAF unit and/or station and by theatre of service (Canada and overseas)."

I quote that and I was glad to put it in my brief case to show that these records are not immediately available. But, when an applicant knows he had treatment and says I was in the medical inspection room in August, 1944, and in September, and I was examined then and I had certain complaints and he is able to name the establishment, we now have access to these records through the director of War Service Records who deserves a great compliment for the energy he has devoted to collecting the records of ex-servicemen from all over the world. You have the documents beginning at his attestation and from the attestation you probably then find his conduct sheet. Then the documents which we know so well of the man admitted to convalescent or field dressing station down to a base hospital; these records are all there. But, these inspections in the medical inspections room do not get to his file unless eventually we track them down. What happened in this case was that the legion was advised and made inquiry and the war service records officer was able to find them. With respect to the supplementary pathologist's report, the pathologist did submit a report and that report was taken under the consideration of my colleagues and then the legion wrote—and again it was excellent advocacy—to ask if he had any supplementary information to give and the pathologist had some supplementary information and sent that to the legion and it was forwarded to the commission.

Q. Is there not some way in which your administrative procedure can be worked out to avoid difficulty such as this? For example, the legion state: "The C.P.C. stated: There are no medical entries recorded in the service documentation between 12/2/50 and 12/3/52". Obviously that was wrong because there were records held by the defence department and perhaps they were at fault in not furnishing them to the commission because they did

eventually furnish them to the legion. Is there not some way in which a slip-up of that kind could be prevented?—A. I think that is just why this Canada of ours provided a Veterans Bureau. There is no counsel for the Crown. Counsel was washed out and all we have is a Veterans Bureau, something to assist an applicant in the preparation, presentation and advancement of his claim to pension. He has that. How would you deal with these millions of records? It would be a physical impossibility to incorporate all of them. But, with the assistance from the man and the commission and his advocate you can go to these records, and I find it is a wonderful thing that they are in chronological order under the navy, army and air force. How can we know? We do not even know the man was in for medical inspection.

Q. They are not listed in the records under the name of the man?—A. Not listed in his service documentation, which starts with his attestation and finishes with his discharge medical board, and contains these other documents I have mentioned.

Q. In any set case there may be additional evidence available from service records which under the present procedure is not given to the pension commission?—A. That statement is perfectly correct, as a man sometimes produces his war diary.

Q. I mean official records.—A. Yes, official records, quite true. But they are in excellent hands and they are accessible to his advocate at any time, and no one affords greater facility than the director of the war service records to furnish that information on request.

By Mr. Croll:

Q. If you suspected that that information was there somewhere, would you not then ask for it?—A. We do it countless times.

Q. If you had any reason to believe that there was such evidence—A. We are required to do it under the statute. In considering an application for a pension the commission, through its medical adviser, should pursue it, but how can you pursue it when you do not know what you are pursuing?

By the Chairman:

Q. Has the Veterans Bureau no obligation in this matter to get in touch with the man and see if he did report sick or anything of the sort?—A. If the Veterans Bureau has been retained as the advocate for the applicant.

Q. In this particular case the obligation to do this was on the advocate, who in this case was the Legion, and they did just what they were supposed to do?—A. That is right.

Mr. GREEN: Might this not be very serious in the case of a death of a veteran? Say his widow was advised. She would not have details of when he went to the sick bay and really would be unable to get the evidence, and yet it is there in the service records available if somebody could say an approximate date.

The CHAIRMAN: In this particular case it was a widow's claim. So they managed to get it in spite of that fact, apparently.

By Mr. Croll:

Q. What I am not very clear about is that a widow who may make a claim knowing that she had to rely upon things that happened in the army may say in the first instance, "My husband was ill many times during the time he served." I should have thought that the commission would somehow go looking for that sort of evidence in order to be in a better position to deal with it.—A. We follow every clue that we can find.

Q. In this case the widow did not?—A. No, we had no clue.

Mr. GOODE: Is it not true that most of this evidence that you reviewed is supplementary evidence given by the applicant? Mr. Melville will remember that I have appeared before the appeal board on several occasions, and the reason the decision was rendered was because of evidence that was brought up that was never submitted in the first application, and I think that is the secret of most of these cases.

Mr. GREEN: There is one other feature of this case, the pathologist's report. I am disturbed that the commission should not make sure that they have a full report from the authorities, that they did not have all the evidence available. Apparently there was a possibility for the commission to get an additional supplementary report from the pathologist which was presumably of considerable benefit.

The WITNESS: I have said, and I repeat, that there was excellent advocacy in this case. When you get a pathologist's report it would be almost "infra dig" for my medical advisers to say, "I have your report; have you anything else to add to that report?" These pathologists' reports, after all, are sometimes about three or four pages long and finish with a summary in which they give the basic diagnoses on what they found. I have studied many of them. We did not know about the supplementary one. That is why I congratulate the Legion in following up the claim and getting that supplementary report.

The CHAIRMAN: They probably had an idea that there was a possibility of getting additional information from the widow, or something of that nature. Of course, it is the duty of the Legion, as I understand it, in carrying out their work to follow that up. In the instances where they did that, they have got good results.

It is now five after one. Does anyone wish to ask any questions on the remaining two cases?

Mr. GREEN: I would like to ask some questions.

The CHAIRMAN: I had thought that if we did get through with our questioning of Mr. Melville we could hold a meeting of the steering committee to decide when we will hear—or if it is necessary to hear the Legion. But we could not hold a meeting of the steering committee and properly consider the whole matter until we have first finished with Mr. Melville's evidence on the matter.

Mr. PHILPOTT: Could we not finish the other two cases now?

The CHAIRMAN: It is five minutes after one now. We might meet at 2.30 if it is the desire of the committee to meet for a short time this afternoon and finish it.

Mr. GREEN: We have quite an important meeting of the Railways, Canals and Telegraph Lines committee at 2.30. I would be prepared to go on now.

Mr. CROLL: Yes, let us sit for 10 minutes now.

The CHAIRMAN: Do you think we can finish it in 10 minutes?

Mr. GREEN: I think so.

The CHAIRMAN: Very well, let us proceed.

By Mr. Green:

Q. Case 234 on page 24 of the Legion's brief. There the big difficulty seems to have been that the Pension Commission took the decision that they could not award any retroactive pension under section 31 subsection 3 of the Act until they had made a ruling under the hardships provision which is section 31, subsection 2.

The chairman of the Pension Commission in a letter stated:

As has been explained to you on previous occasions, the commission cannot deal with an award under section 31, subsection 3 of the Act without in the first instance determining whether consideration is permissible under section 31, subsection 2.

The Legion then wrote back complaining that they did not think that the law should be read in that way and that section 31 subsection 3 could be invoked and the application considered on its merits. Have you any comment on that, Brigadier Melville?—A. Briefly, the Act lays down that the commission, under section 31 subsection 1 may make retroactive awards for 12 months; and in section 31 subsection 2, in cases of hardship and distress the commission may grant an extra period not exceeding 6 months; and in section 31 subsection 3, due to administrative and other causes and so on the commission may grant an additional amount not exceeding 18 months. Subsections 1 and 2 in the statute grant an extension totalling 18 months; and under subsection 3 there is a possible extension of another 18 months making a total of 36 months. Therefore, first of all, if there is hardship and distress you will deal with the additional 6 months. When you come to consider this I suggest it is a question of interpretation. The commission is called upon to interpret this statute, and say: We will grant the maximum which the law allows, and you can exceed the 12 months, if there is hardship, by 6 months, with an additional 18 months, to make a total of 3 years. The Legion said: "No, you do not have to claim under (2) before (3)." That is their opinion and I am not arguing against it.

Q. There is an award up to 12 months, and a further award up to 6 months.—A. That is right.

Q. Subsection 3 provides for another additional award; but I think there is a great deal to be said for interpreting the whole section on the basis that those two additional awards, namely the 6 months and the 18 months are additional to the original 12 months, and that there is no case for addition, on addition, on addition. You are saying that you have to take 12 months first, and then you go on to 6 months, and after the 6 months you say there may be an additional 18 months. I think you should determine your award under the sections pretty carefully because in my judgment, whether there is an additional award of 6 months or not, apart from whether there is an additional award of 6 months for hardship, you can award an additional 18 months for administrative delay. I think you should get your lawyer to review that section very carefully because in my judgment it could be read the other way that first of all there can be an additional award of six months and quite apart from where there is an additional award of six months for hardship that you can award another 18 months for administrative delay. They are not connected at all. The administrative delays and the hardship cases are in no way connected, but in your decisions you do connect them?—A. No, no. I think your argument, Mr. Green, is why we have lawyers. My profession is engineering and I say this: we give 12 months under subsection 1 and in cases of hardship and distress the veteran may receive an additional six months and in cases of administrative delays an additional 18 months. I say, and my colleagues say, it is hardship and distress to deny to a pensioner any payment to which he may be entitled. If there has been an administrative delay beyond his control that is where we function and that is all we say in this case. The veteran receives a possible 12 months and if there is hardship and distress then he can make application for an additional 6 months. I cannot do what the Legion wants me to do. I carry out our interpretation of the Act.

Q. Does that not mean you award this additional 18 months for administrative delays, which, of course, have to do with the Canadian Pension Commission only if hardship is proved? In other words, you were basing the additional 12 months on hardship, and I cannot see how the Act was ever intended to tie up the additional 18 months to hardship.—A. They have nothing to do with hardship, but with administrative causes beyond the veteran's control. The law has been in existence since 1936 and the Act was amended in 1945 whereby subsection 3 was added and subsection 1, 2 and 3 follow through to a logical conclusion. If there is an illogical assumption as to how it should be applied, I cannot help it.

Q. Perhaps we could deal with that later.

Mr. WESELAKE: If an application under subsection 2 were disallowed could it be entertained under subsection 3?

The WITNESS: No, we first deal with it under subsection 2.

By Mr. Green:

Q. There is a further complaint on page 25 of the brief:

In this case the Canadian Pension Commission ruled that the condition was pre-enlistment when there was actually no pre-enlistment evidence on record.

The Canadian Pension Commission's decisions did not give adequate reason for the rejection of the application.

There is definite evidence that section 70 (the benefit of the doubt section) was ignored and indeed the unfavourable decisions drew presumptions against the applicant.

Have you any comment on that?—A. The opinion as to whether or not this condition was pre-enlistment in origin is certainly a matter of medical opinion. The record, in my opinion, speaks for itself. This man served from September 1939 to May 1946. When he was being treated in 1943 the applicant gave a history in which he stated that he had a weak stomach all his life. He was unable to eat meat and was subject to attacks of vomiting and pains in his stomach. In civilian life he could not digest his food properly, and it was necessary for him to live on a light diet. He was under medical care in civilian life and was treated by diet. I suggest with all due deference there was something wrong with him before he went into the army.

Q. The application was for appendicitis although there is nothing in what you read to show appendicitis.—A. There are signs and symptoms.

Q. And what about this other complaint that the pension commission did not give adequate reason for the rejection of the application? You did grant the application eventually on the basis of aggravation. What about their complaint? —A. Will you not agree that is a question of opinion? The reasons are stated there. This last decision was dictated by a doctor and a surgeon, one who knew the whole case from beginning to end because he knows anatomy and he knew what this man's report describes, and he states in his final decision why he made it. He describes these symptoms of which he complained and then he goes into the whole detail of what was found when surgery took place, and as a surgeon who has performed countless abdominal operations he dictated that decision.

Q. And the legion say it was finally granted without any new evidence. Page 24. "Legion submitted case for renewal hearing—no new evidence contained in submission.—A. That is the legion's opinion and I certainly will not agree with it. I think there was lots of new evidence.

The CHAIRMAN: On the question that was asked by Mr. Weselak, I see that on page 25 the final ruling was given when the legion raised the question that subsection 3 of section 31 was not dependent on subsection 2 of section 3,

the Commission's final ruling on the matter was that there was absence of evidence regarding administrative or other delays beyond the applicant's control and they stated therefore that they did not make an award under subsection 3 of section 31.

Mr. GREEN: What Brigadier Melville says today is that they have to qualify under subsection 2 to get under section 3.

The CHAIRMAN: I take it when the legion raised the point they then considered their argument because the Commission would not have said what they did, that there was absence of proof required to bring him under section 31 subsection 3, if they had not been considering that question. I think it is quite clear there that they did consider retroactivation under section 31 subsection 3.

Mr. GREEN: Perhaps Brigadier Melville could tell us what their actual practice is; whether in practice they require entitlement under subsection 2 before they give it under subsection 3.

The CHAIRMAN: Whether the difficulty as to subsection (2) was actually raised the commission apparently did deal with the claim under subsection (3). The answer to Mr. Weselak's question was they never gave it consideration, but according to the brief they did consider it.

Mr. GREEN: That may have simply been an additional reason for turning it down.

The CHAIRMAN: I think that if we are going to go into it that we should get the actual ruling which was given on the 8th April, 1954. I am trying to keep the record straight because Mr. Melville was answering these questions offhand. I do not want an impression to go in which is at variance with what appears to be the record.

The WITNESS: I desire to help. The actual decision in this case, dated 8th April, 1954, states:—

Decision of commission

Upon application, and after a careful review of the pertinent material on file and documents, the commission rules as follows:—

The Commission, after careful and sympathetic consideration, does not feel that this application comes within the provisions of Section 31(3) of the Pension Act. The absence of evidence regarding administrative and other delays beyond the applicant's control would prohibit an award under Section 31(3).

Had we found favourably under 31 (3), we would have granted under 31 (2), but, as I said, the general practice is that there is an exception probably now and again to a rule, and an exception has been made in this case. There have been insistence in letters from the Legion for a ruling under 31 (3). Sometimes we try to be co-operative and helpful and give a ruling, and that is what happened in this instance.

By Mr. Green:

Q. Would you make a favourable ruling under section 31 (3), even though there had been no application or ruling on section 31 (2)?—A. Normally, no.

Q. That is the answer. As a matter of fact, Brigadier Melville gave me his arguments as to why he thought you had to qualify under 31 (2) before you qualified under 31 (3).—A. Because if you have to go through (1), you would give a man his twelve months, his six months under (2), another 18 months under (3) and that would be a total of three years. If there is a gap in there because of no claim under 31 (2) I do not know what treatment allowance you are going to have in that gap of six months. The treatment allowance is all tied up.

By Mr. MacLean:

Q. I have a brief question. Could Brigadier Melville tell us if almost invariably our medical records are complete? I am thinking chiefly of air force personnel. It applies to them to a great extent and perhaps to the other services as well. There are cases where Canadian air force personnel during the war were attached to the R.A.F. They might be posted somewhere else in some other theatre very quickly, and after arriving in a new theatre they perhaps were hospitalized and their medical files had not caught up with them and new medical files were opened, and that might happen several times during a man's career. Has the experience been that all of these documents have in fact been gathered together regardless of where they were held, whether by the R.A.F. or by the Canadian air force, so that the medical files are complete?—A. I am very glad to answer that, because in 1944 we knew that the records were incomplete, and in 1945 I personally contacted the director-general of treatment services in the air force in connection with this very point, because we had airmen all over the world. He was going over to England and saw the records people over there and we got action. There is no such thing as an absolutely complete record, but I would say that the R.C.A.F. records, and that includes R.A.F. records for Canadians attached to the R.A.F., are in excellent order.

Q. In line with that question, in a case where a veteran applies for a pension and he says, "As far as I can remember, I was treated at a certain time, but my memory is not very clear," and he is told that there is nothing on his records to that effect, is he advised that there may be some record of that from some other source, which does not appear on his medical file?—A. If he would give us a clue as to when and where, we would follow it through. In fact, we are required to do it under the statute; the commission shall pursue through its medical advisers such inquiries; and we do it; that is done every day.

Q. I was thinking of a veteran who might not be very aggressive and if he should apply for a pension and is told that there is nothing on his record, he may drop it at that point. Is he encouraged in any way to indicate any other possible source?—A. Yes. That is where such wonderful services as those of the Veterans' Bureau are available to him. Moreover, we realize that he is not able of himself to make that inquiry; however, the Veterans' Bureau or any of the national organizations will help him, and we do help him ourselves.

Q. Well, many national organizations believe, as well as many veterans, that when they are told that the medical record is not on the file, that that is all they can do about it.

By Mr. Green:

Q. The final case is 507/14, and it will be found at the bottom of page 25 of the Legion's brief. This woman was discharged on the 22nd of October, 1943, and on January 7 of the following year, 1944, the pension medical examiner referred the case to the C.P.C. for a ruling. According to the Legion, the case was filed for ten years, and then on the 5th of February, 1954, the Legion referred the claim to the Canadian Pension Commission, and about two weeks later the Canadian Pension Commission granted entitlement and made the award retroactive for twelve months. Then the Legion requested further retroactivation and finally it was made retroactive for the full thirty-six months. They have this comment: "This woman's claim should have been considered 10 years earlier on pension medical examiner's request of 7/1/44. She would not likely have been pensioned until 1/6/46. Administrative error has cost this veteran almost five years' pension, calculated from

1/6/46, the date on which the insurance principle was restored for service in Canada by P.C. 2077. The Canadian Pension Commission initially granted only 12 months' retroactivation and did not attempt to rectify obvious injustice until pressed to do so by the Canadian Legion." What comments have you on that?—A. This ex-servicewoman had 16 months' service in Canada and was discharged on the 22nd of October, 1943. Apparently she had only served in Canada. To be perfectly frank, there was an administrative error and I am quite prepared to admit it. Her discharge board recorded: "Recurrent rheumatic fever". When she was discharged from hospital on the 15th of November, 1943 she was "free of symptoms and feeling particularly well". She was examined the same day by the pension medical examiner and he forwarded his report to head office. We asked for the report and the opinion of a cardiologist. The claim was actively pursued but delays occurred in locating her and in obtaining the cardiologist's examination. Unfortunately, her file was put away, and a file charge by the medical adviser was not filled. A new system was introduced at this time to obviate such errors but failed to catch this one in 1945. I frankly admit there was an administrative error—the case never came to the commission. There were seven or eight B.F's here. One of our senior medical examiners was handling it. Unfortunately, the file was put away and the charge by the medical adviser was not filled. On the 3rd day of February 1954, this veteran first applied for pension. This was the first written application and the first time she ever came to us. The first application for a pension was dated the 3rd of February of this year, and on the 17th of February, the commission conceded entitlement—pre-enlistment, aggravated two-fifths, retroactive 12 months. This was dated on the opinion of an eminent cardiologist. On the 17th of March I happened to be in Hamilton. When I was there, I was with the pension advocate discussing cases and Mr. Warren, who is the pension officer of the Legion, came in. He brought the case to my attention and said: "I do not think you have been entirely fair. Is there anything more that can be done for this pensioner." I said, "All you have to do is submit an application. I suggest you make an application through your dominion headquarters and I assure you my colleagues will be glad to give it their attention." On the 23rd of March—six days later, a letter came from the Legion headquarters asking for further consideration. On the 30th of April, the claim was reviewed. The commission increased the degree of aggravation to three-fifths and awarded further retroactivation of 6 and 18 months. A total of three years was granted. The claim was adjusted to the maximum extent provided by the Act. There was an error and we have done all we can to amend the error.

Q. Of course you cannot go further back than the 36 months?—A. No.

Q. I merely point out the comment made at the end of these cases in the brief: "These cases provide a few examples of failure to search records, failure to properly assess evidence on file, administrative error and unjust presumption being drawn against the applicant."

Mr. CROLL: Throughout that long period of time this servicewoman never made application for pension and never brought it to the attention of the commission in any way?

The WITNESS: It was never brought to our attention, Colonel Croll, until the 3rd February, 1954, when she made application; and might I add also that we have gone back three years and under the regulations of the department if she incurred treatment expenses for three years prior to that then the department may give consideration to reimbursement.

Mr. GREEN: I presume the pension medical examiner who referred this to the pension commissioner for ruling in 1944 would tell the girl he was doing that?

The WITNESS: She was discharged from hospital on the 15th November, 1943, and the very same day she was seen by the medical examiner there; she was sent to hospital and the reports were incomplete and we said we wanted a history of what she had been doing prior to enlistment. She unfortunately moved around and was not available and they had trouble for months getting in touch with her, and we had some difficulty to get the cardiologist's report, and when it did come in unfortunately the file was not brought to the attention of the commission. Here is her first application for pension for heart disease filed in 1954. Had it come before there would have been none of this unfortunate delay.

Mr. GREEN: She probably thought she had been ruled out before.

The WITNESS: No.

The CHAIRMAN: I do not think the evidence so far indicates any justification for saying that there was failure to search records or failure to properly assess evidence on file or unjust presumptions drawn against the applicants.

Mr. CROLL: I think my question would agree with your opinion. That was the purpose of the question.

The CHAIRMAN: I was going to suggest that the steering committee meet at 10.30 tomorrow morning, and the committee will meet at 11.30 in this room or after the proceedings relating to the orders of the day have been concluded.

—The committee adjourned.

Canada, Veterans' Affairs, Special
Committee on, 1953/54

HOUSE OF COMMONS

First Session—Twenty-second Parliament

1953-54

SPECIAL COMMITTEE

ON

VETERANS AFFAIRS

Chairman: **W. A. TUCKER, Esq.**

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 8

TUESDAY, JUNE 1, 1954



WITNESSES:

**Mr. C. B. Lumsden, Dominion President, and Mr. D. M. Thompson,
Chief Welfare Officer, of the Canadian Legion, B.E.S.L.**

**EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1954.**

MINUTES OF PROCEEDINGS

HOUSE OF COMMONS, Room 430,
TUESDAY, June 1, 1954.

The Special Committee on Veterans Affairs met at 11.30 o'clock a.m. The Chairman, Mr. Walter A. Tucker, presided.

Members present: Messrs. Balcom, Bennett (Gray North), Cavers, Croll, Dickey, Dinsdale, Enfield, Forgie, Gauthier (*Portneuf*), Gillis, Goode, Green, Hanna, J. Harkness, Henderson, Jones, MacDougall, MacLean, Pearkes, Philpott, Quelch, Roberge, Stick, Tucker, and Weselak.

In attendance: Mr. E. M. Burns, Deputy Minister of Veterans Affairs, and the following other officials of that Department: Mr. G. L. Lalonde, Assistant Deputy Minister; Mr. G. H. Parliament, Director General of Veterans' Welfare Services; Mr. E. J. Rider, Research Adviser; Mr. C. B. Topp, Chief Pensions Advocate; Mr. E. V. Wilson, Travelling Inspector, Veterans Bureau. Also, Mr. T. J. Rutherford, Director, Veterans' Land Act, with Mr. A. D. McCracken, Senior Administrative Officer, Mr. H. C. Griffith, Superintendent, Construction Division, Mr. William Strojich, Superintendent, Property Division, Mr. W. G. Wurtele, Chief Treasury Officer. Also, Mr. J. L. Melville, Chairman, Mr. Leslie A. Mutch, Vice-Chairman, Canadian Pension Commission. Also, Mr. C. B. Lumsden, Dominion President, and Mr. D. M. Thompson, Chief Welfare Officer, of the Canadian Legion, B.E.S.L.

The Chairman informed the Committee of the decisions arrived at by the Sub-committee on Agenda and Procedure, with respect to the Canadian Legion's request for a hearing in connection with certain pension cases referred to in its brief presented on Wednesday, May 19th last.

Mr. C. B. Lumsden and Mr. D. M. Thompson were called jointly to address the Committee. A statement filed by Mr. Thompson, and referred to as Exhibit "A", was ordered to be printed as an Appendix to today's evidence.

The Chairman informed the Committee that at the following sitting, the Committee would proceed with the clause by clause study of Bill 339, An Act to amend the Pension Act.

At 1.10 o'clock p.m., the Committee adjourned to meet again at 11.30 o'clock a.m. Wednesday, June 2, 1954.

A. CHASSÉ,
Clerk of the Committee.

EVIDENCE

JUNE 1, 1954
11.30 a.m.

The CHAIRMAN: Order, gentlemen. I took up with the steering committee the question of hearing the Legion again. They authorized me to explain the situation to the Legion and to emphasize to them the fact that no attack had been made upon the Legion by Mr. Melville and that he had given them credit for good advocacy in getting some of these cases of entitlement established. But if the Legion felt, despite that fact, that they wanted to make some further representations in regard to these seven cases, we should hear them.

I have carried out the instructions of the steering committee and explained the situation to the Legion. The Dominion president, Mr. Lumsden is with us this morning and also Mr. D. M. Thompson, the chief pension officer of the Canadian Legion, and they would like to make further representations to the committee.

It is the thought of the steering committee that they should be heard, if they wanted to be heard, and then after we have heard them, we proceed with the pension bill with the understanding that certain clauses to which amendments are being considered would be left to stand.

Now, if Mr. Lumsden is ready he might come forward to the table, and also Mr. Thompson.

Mr. GOODE: Before you start, Mr. Chairman, if Mr. Lumsden is going to be allowed to answer questions this morning, with which I fully agree, I think that we should be allowed to ask questions regarding the rest of the brief at the same time. There are a couple of questions which I want to ask on another matter entirely, and this would open up the brief again, with your permission. I would like to ask my questions sometime during the morning.

The CHAIRMAN: Well, I am in the hands of the committee in this matter. I regard this going into individual cases with great apprehension and I doubt if it is in the best interests of the veteran that individual cases should be gone into. But after all, the Legion is a responsible body which also has at heart the interests of the veteran, and they are entitled to express their opinions in this matter. I take it that if we are going to go into these matters, then we will just have to go into them as far as the committee wants to go into them and that is all.

Mr. GOODE: I have a couple of questions to ask concerning war veterans allowance. I was not referring to pension matters. Would that be agreeable?

The CHAIRMAN: When we come to it we will deal with it.

Mr. GOODE: I do not think that is an answer. I would like to know whether or not I am going to be allowed to ask questions about the war veterans allowance. If you give me an answer, there will be no argument about it one way or another.

The CHAIRMAN: The brief is here and the brief was read. The members have the right to ask questions on it which are relevant to the brief. Now, Mr. Lumsden would like to make a statement.

Mr. LUMSDEN (*Dominion President, Canadian Legion*): Mr. Chairman, I shall not take up very much of your time. I have been travelling ever since I was here before and I have not as yet received the minutes of the committee so I will leave the discussion this morning to Mr. Thompson. However, I would like to say that we want to discuss these cases without emotion. We want to deal with facts as calmly and as objectively as possible. We are endeavouring to establish our contention that there were delays through no fault of the applicants; delays which seriously affected them, and that the legislation should be amended so as to make provision for those delays.

It was not our intention at that time to attack the Pension Commission. A statement has been made that it is the best Pension Commission we ever had and we are not prepared to challenge it. We have not made a comparison, nor could we make a comparison. But over the years, and in the experience of the commission in dealing with a great number of cases, situations arise and principles are developed which may or may not be advantageous to the veterans or which may or may not be consistent with the legislation; and it is with those principles that we are concerned without attempting to attack personalities. We want to deal with the principles and the principles are not apparent unless you can see them exemplified in concrete cases. Now, I shall call upon Mr. Thompson.

D. M. Thompson, Chief Service Officer, Canadian Legion, called:

The WITNESS: Mr. Chairman, and members of the committee, I shall try to be as brief as I possibly can in commenting on these cases.

First of all I would like to read to you section 70 of the Pension Act which reads as follows:

70. Notwithstanding anything in this Act, on any application for pension the applicant is entitled to the benefit of the doubt, which means that it is not necessary for him to adduce conclusive proof of his right to the pension applied for, but the body adjudicating on the claim shall draw from all the circumstances of the case, the evidence adduced and medical opinions, all reasonable inferences and presumptions in favour of the applicant. 1943, c. 23, s. 16.

That section is known as the "benefit of the doubt" section.

In connection with the first case referred to in our brief which starts at page 15, case No. 656-1, it was said on Friday morning before the committee that there was a delay of practically 11 months. It was our understanding at that time, and I thought the chairman of the Pension Commission suggested that the Legion might be able to explain that delay.

It was discussed yesterday and there were some questions raised as to actually what had been said. We welcome this opportunity to explain that delay of 11 months between the time of one of the commission's decisions and our re-submission of the case.

In order to explain it, I perhaps should go back to July 24, 1951 when, in answer to a letter from our service officer on this case—it was then 27 and is now 31-(2) (3) of the Act—this letter was received from Mr. Conn who was then deputy chairman of the Legion:

“THE CANADIAN
PENSION COMMISSION

OTTAWA, July 24th, 1951.

The Canadian Legion of the B.E.S.L.,
Dominion Command,
P.O. Box 657,
Ottawa, Ont.

Attention Mr. A. G. Cracknell,
Pensions Officer.

Dear Mr. Cracknell:

Your letter of the 16th instant addressed to the Secretary has been referred to me.

There is some understandable misinterpretation of subsection (3) of Section 27, and this arises from a failure to realize that the basic provisions governing the effective date from which disability pension is payable are fully contained in Section 27(1) (a) and (b). In these, Parliament has definitely laid down the basis upon which the Commission must determine the extent of retroactivity. Having established the effective date of the award, and realising that there were certain cases wherein successful applicants for pension were faced with an accumulation of hospital bills and medical expenses, this led to a provision whereby the Commission was granted discretion, in cases of hardship, to make an additional award not exceeding an amount equivalent to six months pension. This provision was made by the addition of subsection (2) to the section already quoted.

It should be made clear that from the time these governing provisions were written into the Pension Act, they were considered by subsequent Parliamentary Committee to be fair, and they remained unchanged until the rush of demobilization from World War II brought to light another and distinct problem.

Late in 1943 and early in 1944, the Commission found a number of disability claims wherein delays had occurred between the date of discharge and the granting of entitlement.

Sometimes there was delay in the return of documents from overseas; in others, principal witnesses had not returned to Canada, and this was particularly apparent in the cases of prisoners of war and R.C.A.F. personnel attached to British formations in the Far East. The Commission readily invoked the provisions of Section 27(1) and (2), but it was found that even the eighteen months retroactivation already provided for in the statute did not cover a very limited number of cases of the type already described, and some further relief appeared to be called for.

To meet this situation, and on the recommendation of the Commission, the government on the 9th day of April, 1945, enacted P.C. 2395 authorizing the Commission, in its discretion, to make an additional award not exceeding an amount equivalent to an additional eighteen months' pension.

It was clearly understood at that time—

- (a) that this benefit was restricted to a limited number of World War II claims;

- (b) that it was restricted to cases where, through delays in securing service or other records, or through other administrative difficulties beyond the applicant's control, it was apparent that an injustice might otherwise ensue;
- (c) the Order in Council clearly stated it was to remain in force during World War II and for one year subsequent to the termination thereof.

When the Act was amended in 1946, this provision was incorporated, but definitely on the understanding it would be restricted to the types of cases and in accordance with the restrictions already mentioned.

The circumstances leading to the enactment of this subsection no longer exist, and I think you will agree that, in so far as the application of Section 27 of the Pension Act is concerned, claims in respect to World War I and World War II service should be dealt with on a common basis.

There are no time limits under the statute procedure for World War II claims and there is no statutory bar to any applicant for pension taking years before proceeding to finality before an Appeal Board with his claim.

The Commission is fully abreast of its duties and responsibilities, and cases which are ready for hearing before an Appeal Board are listed very soon thereafter. Ordinary diligence on the part of the applicant should result in finality of decision well within the time stipulated in Section 27 (1).

I trust I have made the situation clear, and assure you of the honest endeavour of this Commission at all times to bring to an eligible pensioner the maximum benefit which the statute permits."

In that letter we have set forth the basis of the commission's understanding of what was then section 27 (3) of the Pension Act. Following that letter, and in compliance with what was understood at that time to be commission policy that they would not rule on subsection 3 without first ruling under subsection 2, our service officer on August 9, requested a ruling under section 27 subsection 2, and that was acknowledged by notification dated September 4, 1951. The man was advised and we received a copy of the letter, allowing an additional award of 6 months retroactivation under section 27—(2).

We then received from our correspondent or our service officer in Montreal a communication pointing out that this award lacked approximately 5 days of covering \$1,251.95 which the man had incurred in connection with the eye operation which was subsequently ruled to be related to his service.

So the case was again put up to the secretary of the commission on October 18, 1951 by our service officer who outlined the case in detail, and in part he said:—

"OCTOBER 18TH, 1951.

The Secretary,
Canadian Pension Commission,
OTTAWA, Ontario.

ATT: BRIG. J. L. MELVILLE:

Dear Sir:

We are basing this claim on the ground that delay in rendering the Appeal Board Decision at 25-10-50 must have been through administrative difficulties beyond the applicant's control and that no delay can be attributed to the applicant in taking action to bring his case before the Appeal Board for decision.

Briefly the history of the case is as follows:—

- | | |
|-----------------------------------|--|
| Initial Decision rendered 20-1-48 | — Onychomycosis — Post-discharge, not attributable. |
| First Renewal Hearing 5-7-49 | — Onychomycosis—incurred during service, award effective 12 months prior to the date of decision. Assessment negligible.
Retrobulbar Neuritis with Iridocyclitis and Enucleation Right Eye—Post-discharge condition, not attributable to service. |
| Appeal Board Decision | — 25-10-50—Retrobulbar Neuritis with Iridocyclitis and Enucleation Right Eye —incurred during service. Award effective 12 months prior to the date of the decision. |

Application made for retroactivation under Section 27(2) granted and six months retroactive pension awarded at 4-9-51.

By reason of the latter decision, the effective date of pension became 25-4-49.

Expenses incurred by the applicant for treatment of eyes incurred between 6-11-48 and 20-4-49 was \$1,261.95. These accounts are in the hands of the D.V.A. and should be on file. It will be noted that the effective date of award at 25-4-49 is five days short of the date of discharge from treatment at 20-4-49 and consequently Mr. — is not eligible to receive reimbursement for these expenses.

The attention of the Commission is directed to the fact that Mr. — made application for his Appeal Board Hearing on the 16th July, 1949; that is, eleven days following the First Renewal Hearing Decision. The case was reported ready for Appeal Board at 5-5-50; that is, almost nine months later. The Appeal Board Decision itself was not rendered until the 25th October, 1950; that is, a further delay of over five months, so that roughly speaking the Appeal Board Decision was not rendered until approximately fifteen months following the applicant's application. We have not been able to discover any action or non action on the part of the applicant which could have in any way been responsible for the long delay in the Appeal Board Decision following application and must, therefore, conclude that same was due to administrative difficulties beyond his control."

We outlined the delay and the time which had elapsed. The chairman of the Canadian Pension Commission on October 20, acknowledged the letter and said that it would be given consideration under section 27 subsection 3, and we would be advised of the outcome.

On November 23, approximately one month later, we were advised by the C.P.C. as follows:—

"NOVEMBER 23RD, 1951.

The Commission has considered your application for further retroactive pension in respect of Retrobulbar Neuritis with Iridocyclitis and Enucleation of your Right Eye. It is, however, regretfully of the opinion that your claim cannot be granted. The Commission's finding follows:—

Upon application, and after reading the memorandum dated November 9, 1951, and after a careful review of the pertinent material on file and documents the Commission rule as follows:—

The Commission, after careful and sympathetic consideration, do not feel that this application comes within the provisions of Section 27(3)

of the Pension Act, and therefore rule that there can be no further retroactivation of the effective date of the award."

On November 27, 1951 I wrote to the chairman of the Canadian Pension Commission as follows:—

"NOVEMBER 27th, 1951.

Brigadier J. L. Melville, M.C., E.D., C.B.E.,
Chairman,
Canadian Pension Commission,
OTTAWA, Ontario.

Dear Brigadier Melville:

We have received under date of November 23rd, carbon copy of a form letter addressed to the above noted veteran, advising him in a very stereotyped manner that the Commission refuse to grant him the provisions as allowed under Section 27(3) of the Pension Act.

We note from the above mentioned carbon copy that no detailed or complete explanation is given as to why the Commission has rendered this unfavourable decision.

We feel that this man's case is quite fully stated in our letter of October 18th, addressed to the Secretary and signed by Mr. A. G. Cracknell, Pensions officer at these Headquarters.

In order to facilitate the work of the Commission, the case is briefly this—Mr. first made application for entitlement to pension on account of "Retrobulbar Neuritis with Iridocyclities and Enucleation, right eye, on November 6th, 1948. The first decision on this condition was unfavourable and is dated July 5th, 1949. On July 16th, eleven days later Mr. submitted an application for an Appeal Board Hearing of his claim. On May 5th, 1950, the case was reported ready. On October 25th, 1950, more than six months after the case was reported ready, the Appeal Board rendered a favourable decision, which placed the effective date back twelve months to October 25th, 1949. The Veterans Bureau in Montreal made representations on behalf of Mr. , requesting consideration under Section 27(2) but the Commission ruled unfavourably in this connection. Subsequent application for the benefits of 27(2) made through this Headquarters was granted and as a result the effective date of the award was established at April 25th, 1949.

The Canadian Legion contends that Mr. is, under the law of the land as it appears in Section 27(3) of the Pension Act, entitled to have his award dated back to November 6th, 1948, when he first made application for this condition. We believe that it is an irrefutable fact that the delay between November 6th, 1948 and October 25th, 1950 when the Appeal Board decision was handed down falls well within the "Other Administrative difficulties beyond the applicant's control" referred to in 27(3) and we further contend that in this case as a result of the administrative difficulties beyond the applicant's control an injustice has ensued.

We have noted carefully Mr. Conn's letter of July 24th on this case, and to be quite frank we find it difficult to reconcile what appears to be the Commission's policy in this regard with the law as it appears in 27(3) of the Pension Act. Mr. Conn in his letter states. "When the Act was amended in 1946 this provision was incorporated, but definitely on the understanding it would be restricted to the types of cases and in accordance with the restrictions already mentioned". We submit that neither Mr. Conn nor the Canadian Pension Commission have the right in interpreting a statute to read in any understanding not clearly reflected in the statute.

The Canadian Legion does not believe that the powers and authority given to the Canadian Pension Commission under Section 5 of the Act go as far as placing in the Commission's hands the power of determining when a section or subsection of the Act shall become inoperative. That is the prerogative of the legislators and not of the Commissioners.

The Canadian Legion requests that the case of this veteran be considered not in the light of Commission policy but in the light of legislation as it now stands, and we feel that if this is done, Mr. entitlement for pension will be made effective November 6th, 1948, thereby correcting the injustice that has been caused by the administrative difficulties beyond his control".

In reply to that we received a letter from the chairman of the commission dated December 17, 1951.

"OTTAWA 2, Ontario,
DECEMBER 17th, 1951.

The Canadian Legion of the B.E.S.L.,
Dominion Command,
P.O. Box 657,
Ottawa.

Attention:—Mr. D. M. Thompson, Chief Service Officer.

Dear Mr. Thompson,

Your letter of the 27th ultimo has received the very careful attention of the Commission. It was submitted for consideration in the Board Room, and on the 30th ultimo the decision rendered was to confirm the previous one of the 14th ultimo that the application did not come within the provisions of Section 27(3).

When re-submitting this case you outlined the various dates on which decisions were rendered, and your reasons why you considered a further retroactive award to be warranted.

I have also given my careful attention to your remarks regarding the opinions expressed by the Deputy Chairman in his letter of July 24th, and may say I am in entire agreement with the opinions expressed therein, and it is the responsibility of the Commission to determine any question of interpretation of the Act (Section 5(3)).

In my opinion, the Legion should bear in mind that there is one general policy and interpretation which covers all decisions rendered by the Commission under the Pension Act. Parliament very definitely intended there should be restrictions in the retroactivity of pension awards, and for that reason the Act was amended many years ago and claims are subject to the provisions of Sections 27 and 37. Prior to the end of World War II. The Commission was dealing with many pension applications, and we found difficulty in disposing of a number owing to the lack of documentation, which had not been returned, from far removed theatres of war particularly, and did not form part of the available records. As a consequence, I made special representations to Treasury Board, and on April 9th, 1945, P.C. 2395 authorized the Commission, in its discretion, to make an additional award not exceeding eighteen months in certain World War II claims where "through delays in securing service or other records or through other administrative difficulties, beyond the applicant's control, it is apparent that an injustice might otherwise ensue".

It is very clearly set forth, at the time the representations were made it was not the intention to invoke this authority in cases in which the applicant

had 'slept on his rights' or in others where, in the normal course of events, he obtained entitlement as result of an appearance in person before an Appeal Board. P.C. 2395 reads, in part:—

This Order shall be deemed to have come into force on the first day of January, one thousand nine hundred and forty-five, and shall remain in force for the duration of the war with the German Reich, and for one year immediately subsequent to the termination thereof.

It was subsequently incorporated into the Act, but the Commission must be mindful of the basic provision".

Now, that was on the 17th of December, 1951, and on January 11, 1952 we received the formal decision from the commission which said:

"Reference is made to your letter of the 27th November last, my reply of the 17th ultimo and subsequent discussion regarding this claim with a view to a further retroactive award of pension.

The claim came before the Commission on the 7th instant, when the following decision was rendered:—

After reading the application of the Canadian Legion, dated November 27, 1951, for a review of a ruling of the Commission dated November 14, 1951, in respect to an application for an additional award of pension under Section 27 (3) of the Pension Act, and after a further careful review of all the evidence on file and documents, the Commission rule as follows:—

The Commission, after a very careful and sympathetic reconsideration of this application, are satisfied that the former ruling of the Commission made on November 14, 1951, is a correct and proper decision. It is, therefore, confirmed.

Now, that was January 11, 1952. The chairman said we might be able to explain why we did nothing further for approximately 11 or 12 months. Now, gentlemen, I would like to suggest to you that we had gone just about as far as we could go and the matter was then brought forward to our dominion president and dominion council along with certain other matters that were beginning to bother us in our service work and as a result of that the dominion president, the dominion vice-president, the T.V.S. representative and I believe one of the other officers and the general secretary and myself met with the chairman and the full commission on December 19th, 1952 when a number of these problems were discussed in considerable detail, this case among them. On December 31st, 1952 we wrote a letter to the chairman saying:

"December 31st, 1952

Brigadier J. L. Melville, C.B.E., M.C., E.D.,
Chairman,
Canadian Pension Commission,
Ottawa, Ontario.

Dear Brigadier Melville:

Further to the meeting between the Canadian Pension Commission and the Officers of Dominion Command, Canadian Legion, on December 19th, 1952, we are now asking that this veteran's claim for additional retroactivation of pension under Section 27 (3) be reconsidered by the Commission.

Our case is quite fully set forth in our letters of October 18th, 1951 and November 27th, 1951 and we earnestly ask that this entire claim be given careful study and that additional retroactivation of pension be granted, making his award effective November 6th, 1948, instead of April 25th, 1949, as at present. We firmly believe that this veteran has suffered a definite injustice

through administrative difficulties beyond his control, and that the only way in which this injustice can be remedied is for the award of pension to be made effective November 6th, 1948.

The Canadian Legion would appreciate your early consideration of this case, and trust that the Commission will see its way clear to grant a favourable decision."

We were advised by the chairman on January 6, 1953:—

Ottawa, 2 Ontario,
January 6, 1953.

THE CANADIAN PENSION COMMISSION

"The Canadian Legion of the B.E.S.L.,
Dominion Command Headquarters,
P.O., Box 657,
Ottawa.

Attention: Mr. D. M. Thompson Chief Service Officer.

Dear Mr. Thompson:

Your letter of the 31st ultimo came forward at a Daily Meeting of the Commission yesterday, at which time recognition was also paid to the representations advanced when, in company with your Dominion President, you visited the Commission on the 19th ultimo.

I am happy to advise that, by decision of yesterday's date, the Commission ruled as follows:—

Upon further consideration of the application of the Canadian Legion, and upon hearing special representations made by the Officers of the Legion, and after reading the letter of the Legion dated December 31, 1952, the Commission feel that under the exceptional circumstances shown to exist this application should be granted under Section 27 (3) of the Act. The Commission, therefore, grant an additional award of pension making the effective date of entitlement to pension November 6, 1948.

While the Commission is pleased that we have been able to grant this consideration, it was requested at the Daily Meeting that I bring to your attention the policy of the Commission in their administration of Section 27 (3) of the Act.

In your letter dated November 27th, 1951, you state the first decision of the Commission dated July 5th, 1949, was unfavourable, and on July 16th, eleven days later, application was made for an Appeal Board hearing. You go on to state that on May 5th, 1950, the case was reported ready, and on October 25th of the same year the Appeal Board rendered a favourable decision and granted retroactivity for twelve months. The point I wish to make is that, from the date of application for an Appeal Board hearing, it was the responsibility of the applicant and his advocate to actively pursue every endeavour in order that the case could be listed for hearing without delay. Until so listed, the Commission can take no action, and therefore the period which elapses does normally, to an appreciable extent, come within the applicant's control. Then again another factor arose, which was the interval between the date it was listed as ready and that of the actual hearing. You have been advised in previous correspondence from the Deputy Chairman of dates on which Appeal Boards of the Commission sat in Montreal after the

date this case was ready, and again it becomes the responsibility of the applicant, through his advocate and the Pension Medical Examiner, to see that the case is listed without delay. The Members of the Appeal Board do not draw up the docket, which is a matter of local arrangement, and I believe from discussions which took place in the Board Room yesterday and the remarks of one Member of the Appeal Board, the delay was because one of the witnesses desired was not available until about the time the actual hearing took place.

The fact, therefore, that there is a substantial interval of time between an unfavourable decision and a favourable one granted by an Appeal Board, does not of itself warrant the application of Section 27 (3), and delays in this particular case did not arise within the Commission. We are pleased, however, to consider there were exceptional circumstances and so rendered our favourable decision granting the further retroactive period."

Further on in the letter the chairman points out there was this delay at the appeal board when there was some question of getting the doctor to appear as a witness. Now, that is the reason there is approximately 11 months' delay. We had reached the end of the road. There was nothing further we could do except bring it to the attention of our council and president and when that was done it was discussed with the commission. It would be extremely difficult to finalize each and every case of this nature by having the Dominion president and senior officers of the Legion make actual representations to the commission. In this case it meant, in addition to the small amount of hospital allowance, \$1,251.95 to the veteran which, if it had not been for Legion persistence in the matter, the man would have lost. That is the reason for the delay which the chairman referred to on Friday.

In our next case, No. 148/3, the schizophrenic, I would like first of all to thank the chairman of the commission for pointing out an error in the brief. As he said, the commission is not infallible and we are not infallible either. In this summary we said:

The submission which produced the favourable decision of 23/10/52 did not contain any new evidence. It was a thorough review of all evidence which had been before the C.P.C.—some of it many times.

Now, that is definitely an error, and the chairman pointed it out yesterday and was quite correct in doing so. The statement, to be accurate, should have read:

Did not contain any new medical evidence.

There was no new medical evidence submitted. There was, as the chairman pointed out, three pieces of evidence submitted, but it was lay evidence given by men who had served with the veteran. However, if my memory serves me correctly the chairman read the final favourable decision and the context of that was: "In light of the medical evidence before us our decision is such and such." It would appear then that no real merit was given to that additional lay evidence. As I say the chairman is quite correct and our statement was in error.

Mr. CROLL: He said "In view of the letters of September 9, 12 and 15 from the Legion and the new medical evidence the decision was changed." That is my note here.

The WITNESS: He did say that, but when he read the actual decision, if my memory serves me correctly, it was "in light of the medical evidence" and in that connection we are not making any bones about the fact that our statement there is in error, Mr. Croll, and we are not trying to confuse the issue at all.

Mr. CROLL: The point I want to be clear on is that they gave not only sympathetic consideration but they were seriously impressed with those three letters from the Legion which seemed to bring out new evidence and seemed to bear on the case and their adjudication of it.

The WITNESS: If I may comment on that point, these three pieces of lay evidence were not outstanding nor were they statutory declarations but were pieces of evidence given by chaps who served with the veteran and they did help to complete the picture. I refer you to section 70 where it says that it shall not be necessary for the man to prove conclusively—to adduce conclusive proof. Now, some things which the chairman did not read to you yesterday were some of the medical opinions which were on file previously. Perhaps I might just quote a few of these.

Mr. DICKEY: Mr. Chairman, on a point of order, I am afraid that we are getting very much into the position of having this committee sit as a court of appeal on pension cases—

Hon. MEMBERS: Hear, hear.

Mr. DICKEY: Now, my understanding was that the Canadian Legion had made submissions which they thought would support their view that rather than provide in the present legislation before the committee that the retroactive feature of pensions be restricted, that it be at least left as it is or extended and I think that we are quite proper in our procedure to hear the Legion on that point, and to hear the commission, if necessary, on that point, and then make up our minds about the retroactivation. Are we going to sit in judgment on medical evidence and on opinions—whether they are lay or professional—on questions of this kind? I question it very seriously, Mr. Chairman.

The CHAIRMAN: I do not think it is the wish of the committee to examine into this particular case as to whether or not the Canadian Pension Commission acted properly in giving the decision it did. All I understood was involved in this was the statement that the submission which produced the favourable decision did not contain any new evidence but was a thorough review of all the evidence which had been before the commission—some of it many times. Now, all Brigadier Melville pointed out was that there was some new lay evidence which enabled them to make use of the medical evidence which they already had. In other words, it indicated that this man apparently began to show mental deterioration while he was in service and that bore out what the medical evidence said might happen and this new evidence was some evidence that indicated it had actually happened. Now, this was the conclusive evidence. The point that it might happen by medical evidence did not mean it did happen, but if there was some lay evidence indicating it did happen, the pension commissioner said this would enable them to make the decision. I do not think this committee wants to question the Canadian Pension Commission. That was the reason they gave the evidence. They got additional evidence which the advocate had been helpful in getting for them. I do not think it is within our purview to prove that. I do not think it is our duty to examine into the decisions of the Canadian Pension Commission at all. It has not been referred to us by parliament and I think it is quite beyond our powers and so I wish you would just deal with this brief and not go into the question of whether the Canadian Pension Commission is right or wrong in its decisions. That has not been referred to us.

The WITNESS: Very well, Mr. Chairman.

Mr. GOODE: I think it should be mentioned here that I agree wholeheartedly with Mr. Dickey. I think that the Canadian Legion should understand that as far as individual members of this committee are concerned there is no doubt in their minds that the Canadian Legion are doing all they can so far as the pensioners are concerned. I feel that Mr. Thompson must understand that there is no doubt in the mind of this committee that the Canadian Legion have done all they could.

The CHAIRMAN: Have you any further questions on the submission? On page 20 he said they were in error and that there was new evidence. Is there anything else on that particular point?

Mr. DINSDALE: Mr. Chairman, I wonder if the witness could say if section 32 was made operative in this case particularly subsection 2 which deals with the pensioning of hysterical disability?

The CHAIRMAN: That is going into the reasons for the commission's decision. After all, I have a duty to perform here and I must obey the rules. There are certain things submitted. This committee was certainly not set up to review the whole Pension Act, and it certainly was not set up to review the actions of the Canadian Pension Commission in the way in which it handled individual cases. That certainly was not referred to this committee. Therefore, I am afraid that in our desire not to shut off any evidence which might be helpful to the veterans we have permitted things to go much further than we had any right to permit them to go.

Mr. GREEN: It was my understanding, Mr. Chairman, that the Legion was to be entitled to reply to these cases and I think we would save a lot of time if we let them go ahead and complete their reply and not try to trip them up as they go along.

Mr. DICKEY: Mr. Chairman, I protest any suggestion that we are trying to trip them up.

Mr. GREEN: I suggest, Mr. Chairman, that we carry on with our original intention of allowing them to make their reply and the whole thing will be over in no time. But if we get into a lot of haggling about it, we can be here for hours.

The CHAIRMAN: That is the very reason why I suggested that Mr. Dinsdale should not ask that particular question.

Mr. DINSDALE: Well, Mr. Chairman, I only took an opportunity to ask it because of the interruption of the witness.

The WITNESS: In that connection the reason we felt we should bring this point out was because of the statements that were made, and we wanted the record to be clear.

Yesterday when reference was made to the point in our brief, where we said these were a few samples to outline the points covered, we certainly gained the impression that the record would show that the chairman of the committee possibly did not feel that our submission had substantiated those points. That is the reason we wanted to be clear on this point in question.

If it is your wish not to consider the evidence to which the chairman referred yesterday, we most certainly bow to your wishes, and pass on to the next point with which we would like to deal, if that meets with your approval.

The CHAIRMAN: Very well.

The WITNESS: The next case is the one referred to as 234-14 on page 24. In this case, if my memory serves me correctly—

The CHAIRMAN: That would be 234-13.

The WITNESS: Yes, I am sorry. I gave you the wrong number.

The CHAIRMAN: Yes, you said 14.

The WITNESS: Yes. In this case yesterday I think somebody asked a question whether or not our statement that no new evidence was contained in the submission of 14-10-53 was correct. From where I was sitting I thought that the chairman of the Canadian Pension Commission said that certainly there was new evidence submitted. And I would like to speak to that point if I may, sir.

Our submission of October 14, 1953, was made, I might say, after I had personally reviewed the departmental file, and I was frankly, very disturbed over what I saw in the decision. Therefore I wrote—I went through the file

and I made this submission to the chairman of the Canadian Pension Commission, bearing on the point of whether or not there was additional evidence submitted. I wrote:—

“OCTOBER 14, 1953.

Brigadier J. L. Melville, C.B.E., M.C., E.D.,
Chairman,
Canadian Pension Commission,
OTTAWA, Ontario.

Dear Brigadier Melville:

Further to our previous correspondence on this case, we would appreciate very much receiving information on the following points for our enlightenment and better understanding of this case:—

1. Where, in either the Initial ruling of 6-10-52 or the First Renewal ruling of February 2nd, 1953, are the grounds for the unfavourable decision stated?
2. What evidence did the Commissioners have, bearing in mind what constitutes a record under 13 (1) (c), that Appendicitis was a pre-enlistment condition?
3. Since the record clearly shows that the applicant was operated on in November, 1942 for appendicitis and the appendix removed, and since the operation record from Fredericton, in February 1952, shows that there were definite adhesions at the site of the operation performed in 1942, how is it reasonable for the Commission to state, as they do in the First Renewal Hearing decision, “There is no information to suggest that Appendicitis worsened during the military career?”
4. Considering the findings of the two operations, one in 1942 and the other in 1952, what possible bearing on the claim for entitlement on account of the Appendicitis with subsequent adhesions could this man's Nervous Condition, gone into in such detail by Dr. Sparling in his letter of June 16th to the P.M.E. at Saint John, have?
5. In arriving at decision, is it the policy for the Commissioners concerned with any specific case to go through the entire file and study all evidence on record or do they only consider the written submission of the Advocate and the written opinion of the Medical Adviser as it appears on the White Slip?

Question No. 5 may at first glance appear to be an unfair one. However, I would like to sincerely assure you that it is not intended as such. As an Advocate on behalf of applicants, I feel that we should know the answer to this question, because if the Commissioners examine only the Advocate's submission and the Medical Adviser's White Slip, then we must accept a greater responsibility than at present we understand to be ours. That is to say, if such is the case, we must ensure that every bit of evidence on the file having a bearing on the case and being in the interests of the applicant is contained in its entirety in our submission to your Commission. Otherwise, it would put your Commissioners in an unfair position if our submission is based on the assumption that the Commissioners, in endeavouring to arrive at a just and fair decision, review the entire file if in actual fact they do not. What would happen then is that the Commissioners would have, on the applicant's behalf, a submission from us touching on the highlights, possibly, and referring to certain other evidence on the file and, in cases of Renewal Hearings, copies of addi-

tional evidence. They would also have the Medical Adviser's White Slip dealing with the case from a medical point of view and in actual effect advising the Commissioners on how the claim appears through the eyes of the Pension Commission Medical Adviser.

If this is so, I submit that it is only fair that we should know so we may govern ourselves accordingly in future submissions. If on the other hand, the Commissioners do sit down and review fully the entire file before coming to a decision, then our present system of operation would appear to be in order.

Would you be kind enough to personally review this file and give us the benefit of your knowledge and information in regard to these five specific questions, together with any other comment that you would care to offer.

In conclusion, I would like to assure you that our sole purpose in asking these questions is to obtain knowledge on this particular case and on the method of operation of the Canadian Pension Commission.

Yours very truly,

D. M. Thompson,
CHIEF SERVICE OFFICER."

Now, that was dated October 14, 1953; and under date of October 16, 1953 the commission wrote a decision which ended up with these words:—

The Commission rules:

Appendicitis

Pre-enlistment condition, aggravated during service in a theatre of actual war. Entire disability pensionable. Effective 12 months prior to date of this decision.

Signed at Ottawa, October 16th, 1953

2nd RENEWAL

I submit that in that case there was no additional evidence; there were merely five questions asked of the chairman of the C.P.C.

Now then, those were the only points we were dealing with in those cases. We made an effort to obtain some information along the line which Mr. Goode asked for earlier. We did try. Although our statistics system is not as elaborate as one might sometimes wish for, we did go through our adjustments for the period of January 1, 1952 until March 31, 1954 and we discarded cases where there was only 5 per cent of assessment or a negligible disability, and we considered the cases where there was assessment of more than 5 per cent.

We originally intended to include only disability cases but we found there was one widow's case which had been included, and that is in the list.

Out of 243 files reviewed where there had been favourable adjustments—we do not normally carry cases to the appeal board in the field because we have not the facilities to do so. While our service officer in Hamilton does it, in most cases we have turned them over and asked our friends of the Veterans Bureau to make the actual submission.

Therefore our statistics would not include those cases. But of the 243 files reviewed we found 25 cases where the period not provided for under the legislation ranges all the way from 10 years 1½ months down to 4 months. That is just slightly in excess of 10 per cent of the cases according to our adjustment records. I can give them to you to put in the record as an exhibit.

Mr. HENDERSON: Over what period of time was that?

The WITNESS: From the 1st of January 1942 to March 31, 1954. I am sorry, the 1st of January 1952 to March 31, 1954.

Mr. ENFIELD: "The period not provided for"; what date are you using as a base?

The WITNESS: The date of the application.

The CHAIRMAN: The exhibit indicates the case number, the decision, the date pension was applied for, the date when entitlement was granted, the effective date of award, and the period not covered by entitlement. I think that is relevant evidence.

Mr. LUMSDEN: I have copies of the exhibit for all the members of the committee if it is desired.

The CHAIRMAN: I think that is a good idea.

(See Page 252)

Mr. WESELAK: Would this exhibit apply to world war I and to world war II veterans, Mr. Chairman? Could the witness tell us if this applies to veterans of both wars or just to those of world war II?

The WITNESS: That would apply to veterans of both world wars.

Mr. GREEN: Are you using retroactivity of 36 months in this calculation, or 18 months?

The WITNESS: We are using the effective date, the actual date given by the commission; that is to say, most of these cases would not qualify because of the limitations of this section. Those are the actual dates. In some instances the date shown is the date given in a statement by the man when he first applied. We have taken the actual effective date of the decision as rendered.

These cases are simply set forth to show that there are cases where the man had lost out because of the present wording of the legislation.

Mr. DICKEY: Is it your submission that in every one of these cases the dates are fully retroactive and that the awards should have been full retroactive right back to the dates?

The WITNESS: You mean under the legislation as it stands now?

Mr. DICKEY: No.

The WITNESS: In these cases we feel that the legislation should make provision so that, when the application is granted, the commission has no fetters on it whatsoever, and so that when the case is officially assessed, they can go back to the initial date of the application.

Mr. GOODE: I think it should be pointed out that this list goes right to the period for entitlement or is covered by entitlement from 10 years to 4 months. I wonder if Mr. Thompson would be prepared to carry out the same percentage of 10 per cent with respect to the 89,000 cases considered by the Canadian Pension Commission? You say that over a short period the percentage is 10 per cent. As you know, Mr. Melville put on record that the total number of cases handled was 89,000 odd. Would the same percentage carry through? Would you be prepared to say that?

The WITNESS: We have tried to deal in facts. If we attempted to give you an estimate it would be very unfair to you gentlemen. And I would point out that this does not include appeal board cases. If the cases we handled and had not succeeded in and they went to appeal, they might go up to 15 per cent. It would not be fair to you to attempt to give you a figure which would not have a basis in fact.

Mr. BENNETT: You have recommended the date of January 1, 1946. You would not make them retroactive before that date?

The WITNESS: Our reasoning was this: we went through the old *Hansards* and it was therein stated that too great retroactivation was felt to be a barrier to some favourable decision being given. That was why our dominion council suggested a date, in order to protect against that feeling on the part of the

government, or the members, or the commission. We took that date so that there would be no obstacle to world war II claims.

Mr. BENNETT: You suggested in this case that you should go right back to the date of the application whereas your brief set out a recommendation of January 1, 1946.

The WITNESS: This was not drawn up in connection with the 1946 deadline, but just to show how far some of these cases go back.

Mr. MacDOUGALL: In exhibit "A" in the third column, "date pension applied for", you have four instances which are bracketed with the word "man"; what is the meaning of that?

The WITNESS: In these cases our files do not show the actual date when the man first applied for pension. So we have, in these four cases taken the date that the man stated, in his application to us, that he had applied for pension.

In our aim of keeping you straight we have put "man" there to qualify it, because we cannot swear to the fact that this man did give us straight information.

Mr. DICKEY: You mean that the date might not correspond to the date shown on the commission's file?

The WITNESS: That is right.

Mr. HENDERSON: How many of these cases shown on exhibit "A" are world war I cases?

The WITNESS: I could not tell you off-hand, but I could get that information for you.

Mr. HENDERSON: Would you agree that it takes longer to deal with world war I cases, from the standpoint of getting evidence for appeal from the award in the first case, than it does in world war II cases?

The WITNESS: I think that would be safe to say as a general statement, because so many of the comrades and the doctors who treated the men are now dead or moved, and it is definitely a fact that it is more difficult.

Mr. WESELAK: As far as routine cases are concerned, most of them do not go to your office. Only the more difficult ones would go there?

The WITNESS: We do get some routine cases which come to us in the first instance, and we also get quite a number where the man has previously applied, and we get a fair number of cases where the man has applied through the Veterans Bureau.

Mr. WESELAK: Of those 243 cases a considerable number would be cases where they made application themselves ran into difficulty?

The WITNESS: I think that would be safe to say, although I would not want to give you a definite percentage without referring to the files.

By Mr. Bennett:

Q. Have you any idea in how many of these cases you have listed the hardship section has been applied by the Pension Commission—that is section 31 subsection 2.—A. Well, that would be fairly easily obtained, sir. You see the first one there—in that case the commission applied the discretion given under section 31, subsection 1 and gave the 12 months and the second one is the same.

Q. I was wondering in how many cases would the fact that the Canadian Pension Commission is basing section 31, subsection 3, on the hardship rule as in section 31, subsection 2, that you are complaining about. In how many cases, if they interpreted it your way, would the period of entitlement be cut down by 18 months? You are here today complaining not only about

the legislation but about the way the Canadian Pension Commission is interpreting subsection 3 of section 31?—A. What we are showing is the difficulty—although on the surface it would not appear that way—when the commission's hands are tied by the legislation there is difficulty in getting retroactivation, and we feel the change in legislation would remove that weight of proving hardship and administrative delay. We have tried to illustrate the difficulties in proving administrative delay beyond the applicant's control.

By Mr. Henderson:

Q. Of the 243 cases you said you handled between the 1st of January, 1952, and the 31st of March 1954, how many of those were first world war veterans' cases? Do you have that information?—A. No, but I could get it by breaking down the files. I do not have it immediately available.

By the Chairman:

Q. What did the cases you did not list show? You reviewed 243 cases and you have listed 25 cases. What about the other 218 cases; what did they show?—A. They would show in many instances that the date of application had been exceeded or had gone beyond the effective date of entitlement. They would also show cases where the condition was evident on discharge so they are on the records. If a man applies for a pension the commission will go back 12 months. They have that right under section 31, subsection 1, and there would be many of those cases where the commission does go back as they did in the first and second cases here.

Q. Do I understand that on the 218 cases that are not listed they were able to cover the period of entitlement with the present legislation?—A. That would be the inference, sir. If as I say there are in excess of 10 per cent—which is a fairly large number taken from these files where the veteran is losing out—but in the 80 odd per cent it was covered by the existing legislation.

By Mr. Croll:

Q. Is it not fair to say, and if it is not please do not do so, that these cases represent the hard core as Mr. Weselak asked you? These are the same sort of cases we receive as members of parliament and you receive as a member of the Legion—cases involving many difficulties which you take up finally and in desperation and you succeed in some and not in others. Is it not fair to say that?—A. Well, sir, wanting to be fair, I do think the cases which come to us on leave to reopen are difficult, some others are not so difficult I am trying to think out loud in answering your question. We see the effort the Veterans Bureau has put out and their continued and persistent representations. While I think this may represent a hard core we are very concerned about the fact that there are many cases where the applicant has taken the unfavourable decision at face value and we feel there are other cases we do not know of we cannot estimate how many such cases there are.

The CHAIRMAN: I just wanted to get one question clear in my mind. I understand the Legion recognizes the necessity of having a cut-off date and I would like you to tell us what your present attitude is. The Legion recognizes the wisdom of the original decision in providing a cut-off date but what is the present attitude?

Mr. LUMSDEN: I think our brief suggests January 1st, 1946. There is no particular virtue in that date which represents the close of the second world war. Part of the reason that led us to that is that for 16 or 17 years—no, more than that, 18 years—after the first world war there was no limit on the retroactivity awards. They could go right back to the time of discharge. Because of the size of some of those retroactive awards there was a feeling that the

Canadian Pension Commission was letting the amount of money involved influence their decisions. Theoretically, that should not enter into it at all, but practically I suppose it did. In order to meet that practical difficulty we suggest a compromise so we would not have awards going back to the first world war and we suggested this date of January 1st, 1946 in order that it would be after the close of the second world war. Now, if you want to make it a more flexible date—say 10 years, or whatever in your collective judgment you feel would be fairer than the present date,—we would be quite happy to discuss that, but the principle is that at the present time the legislation—which was admittedly an attempt to deal with the practical psychological difficulty—still leaves the applicant open to many injustices which we think could be rectified by more equitable legislation.

Mr. CROLL: Do you remember when we wrote that retroactive section into the Act and the reason for it? My recollection is that we did, when we drew up the veterans charter. Am I wrong in that?

The CHAIRMAN: I think it was put in before that when it was being reviewed in 1936 or 1937 because there were first world war veterans who after the end of the war thought they could get along without a pension and then later began to apply for pension and in some cases they were able to prove that they were entitled to pension from the time of discharge. The question arose: was it fair to date it back and make awards for thousands of dollars if they did not see fit to apply themselves? There was that consideration, and the one which the chairman mentioned that it was better to make sure they got a pension than have the possibility of not getting any, because if it was granted it had to be dated so far back. So in the interest of the veteran the Legion, I think, suggested and agreed it was good to have a cut-off date, so that a veteran could get a pension from them on and date it back, I believe, 18 months. Then when we were dealing with the matter in writing the veterans charter the question came up concerning the people who could not get an award because their records had not come back from overseas and so on. It was suggested then that if decision on the application was held up through inability to get records and so on, and if it was established clearly that it was due to that fact—lack of records or administrative difficulties or something of that nature in the case of World War II veterans—then the veteran had a right to have it dated back up to 18 months in addition to the original 12 months and as I remember it it had nothing to do with need or compassion or anything else. It was a matter of giving that right to apply if the veteran could show that he could have proved it if he would have obtained the records which had not come back from overseas. That was something given to the veterans of World War II in addition to what was given to the veterans of World War I. You have heard, of course, the evidence on that, that it was first of all embodied in an order in council and then we wrote it into the veterans charter and made it part of the statute.

Mr. GREEN: I understand you are asking that the period of retroactive award be increased, and as a matter of suggesting a date you say the 1st of January, 1946. Have you any suggestion as to the way you would like to have that done? For example, do you want to have subsection 1 of section 31 which is the general retroactive provision enabling the commission to award 12 months—do you want to have that extended for a longer period of time—say for eight or 10 years? I am not placing any emphasis on the time but on the method of doing it. Or do you want to have subsection 2 or subsection 3 which deals with administrative delays dropped? How do you think this could be best handled in the interests of the veterans.

Mr. LUMSDEN: Our suggestion, Mr. Green, is that the Act grant entitlement to the date of application without proving hardship or anything of that nature so that if a veteran applied for a pension and then through delays it is perhaps five, six or seven years before it is finally granted, when it is finally established that he is entitled to pension he should be paid from the date of his application but not back prior to January 1st, 1946.

Mr. BENNETT: Even although it was the veteran's own fault in not pressing the application through to a successful conclusion? I have requested summaries of evidence from applicants, for instance, and they sometimes take three or four months to return them. It is a case of pure negligence on their part.

Mr. LUMSDEN: If the committee feels that there should be a provision put in to insure that if a man is negligent about pressing his claim that he should not be entitled to the same amount we would accept that. But on the other hand how many of these ordinary applicants, when they get a decision from the Canadian Pension Commission, are prepared to carry that further? A great many of them feel that it is final and completed and I do not think they should be penalized.

The CHAIRMAN: It is set out in the letter—

Mr. CROLL: The Legion tells them otherwise.

The CHAIRMAN: It is set out in the very letter the Commission sends them advising them of the decision.

Mr. LUMSDEN: We have a Legion membership of approximately 210,000 out of 1,200,000 veterans in Canada. Seventy-five per cent of the cases which we handle are non-Legionnaire so we cannot meet that problem.

Mr. DICKEY: But it is pointed out that the facilities of the Veterans Bureau are available to them?

Mr. LUMSDEN: Yes, frequently they avail themselves of these facilities. Sometimes they have a first hearing and a renewal hearing and their application is turned down. Sometimes they are encouraged too quickly to go to appeal and the application is turned down and then it is difficult to get it re-opened. If through practical experience you feel there are cases where people just sit on their rights and do not press their claims legitimately we would not have any objection to any legislation which would take care of that: but the basic principle which we feel should be established is that if a man has a legitimate claim, and has done everything reasonable to prove it, and if there are these long delays, he should not be penalized for it.

Mr. QUELCH: It has been mentioned once or twice that the Legion supported the cut-off date being put in in 1936, but we should remember the situation which existed at that time. The Minister of Veterans Affairs at that time made it quite clear to the committee that unless a cut-off date was put in many of the veterans who were entitled to a pension would not get any and it was only as a result of that statement that the Legion as of that date supported the cut-off date. The Minister of Veterans Affairs went further. He pointed out it was not so much a question of what a veteran should receive but what the country could afford to pay. "The country today is practically bankrupt," he said, "and cannot afford to pay the large amounts." It was made clear at that time and I think that was the only reason the Legion supported the cut-off date and I do not think anyone will deny that there is a similar situation today.

Mr. GOODE: Is it considered by the Legion that we should make this retroactivity apply to all cases that have been handled by the Canadian Pension Commission? I am talking, Mr. Lumsden, about the cases that have been completed and put away in the files?

Mr. LUMSDEN: All cases, we would say, completed since January 1st, 1946. There is an example in the case of this woman who waited 10 years. Actually she would not have been entitled in 1944, because the insurance principle was not in effect then and did not come into effect until 1946. And because the legislation was not in effect then in order to secure justice we would say that it should go back until that date. I might say in regard to suggested limitations that I am afraid if you put limitations on the person, who as you say, "sits on his rights" we are going to have to fight every individual case as we did this one in order to get the maximum the law allows. You see case after case after case where this happens. An unfortunate aspect about the present legislation is this: you may remember that this cut-off date was set in order to save the country money. At the present time, the longer a decision is delayed the more money the country saves and the more the veteran loses. I do not think the legislation should be that way.

Mr. HENDERSON: Supplementary to Mr. Goode's question, how much money would it cost the country to go back to the 1st of January, 1946?

Mr. LUMSDEN: I have no idea.

Mr. HENDERSON: That would be a very good thing to know, I believe.

Mr. ENFIELD: You mentioned this woman's claim. Is it not a fact that if we use your date—the date of application—she would have received five months' retroactive pension and as it was she received three years' retroactive pension? In other words, her application was not put in until 1952.

Mr. LUMSDEN: Mr. Thompson will answer that.

The WITNESS: This woman was examined by the P.M.E. in 1944 and I think it was reasonable to assume she had the right to believe her case was in the hands of the Canadian Pension Commission because the P.M.E. is a representative of the commission in the field. She was examined and there was correspondence back and forth and they asked for a cardiologist's report and son on. It was an unfortunate case. In this particular case, if my memory serves me correctly, we found when it was sent to head office and put away the words "delayed priority" were on the file. We are not sure what the words mean, but they were on the file and the file did not come forward. The commission has now gone back as far as the law will allow them to. Her case was in process with the commission immediately following her discharge.

Mr. ENFIELD: What you are really saying is that you do not go back to the date of application but to the date on which it was brought to the attention of the commission—whichever is the furthest date back?

Mr. LUMSDEN: When that matter came up for consideration at council we recognized that there were some cases where the present regulations would be more advantageous than what we have in mind and that troubled us somewhat. But taking the average number of veterans we would say that far more would benefit by what we suggest than by the present regulations, if you could devise legislation which would take care of all this, we would be happy to accept it. But we made the point. That the individual had to make application, we wanted to meet the objection that the person who sits on his rights has no particular privileges. That has often been stated. But if they or their agent made a personal application, then they were not sitting on their rights. They were trying to do something about it themselves. That is why we put that in. There would be some cases, undoubtedly, where the applicant, under the existing regulations would be a little bit better off than under what we propose. However, the larger percentage would be benefitted by what we propose.

Mr. HENDERSON: What about the widow's case? When did she first apply?

The WITNESS: Which one?

Mr. HENDERSON: The 10 year one.

The CHAIRMAN: That is the one produced in the statement this morning?

Mr. HENDERSON: Yes, 395-6, I think it is.

The WITNESS: That is?

The CHAIRMAN: Where is that referred to?

Mr. CROLL: On page 23.

The CHAIRMAN: Oh, it is the case in the brief.

The WITNESS: 395-6.

Mr. HENDERSON: No, 507-14.

Mr. CROLL: On page 25.

By Mr. Henderson:

Q. I have the Hansard here.—A. It is 507-14.

Q. Yes, that is the one.—A. Well, in this case, when she was discharged she was referred to the Pension Medical Examiner. The P.M.E. wrote to the headoffice; but it was not until 1954 that this woman came to the service officer and another request was made for a ruling. But the P.M.E. referred the claim on 7-1-44 to the C.P.C. for a ruling.

Q. She decided to try again in 1954?—A. That is correct.

Q. 10 years had elapsed?—A. That is right. In many of these cases there is no question about it but that the applicant is ignorant of the provision. There is an old expression that "ignorance of the law is no excuse".

Let me give you a very brief example. A man applied for a ruling on duodenal ulcer and the only history he could give was that of having been treated at Lansdowne Park. The commission had ruled that it was not attributable to service.

That man happened one day to be riding in a bus with one of our service officers and he said: "I thought there was a record of that treatment given in Lansdowne Park, but the official letter says there is none." That man, not knowing the difficulties facing the commission, felt that the medical officer had let him down. But it was subsequently found that there was a record which was obtained from the morning sick reports. That man had taken the C.P.C. decision on its face value. That is what happens in many cases. These people do not know the law and do not know the steps to be taken. It is hard to say whether it was because of ignorance or because of negligence.

By the Chairman:

Q. In this particular case had the medical examiner's reference been dealt with by the Canadian Pension Commission at the time it was referred, in 1944, the ruling at that time would have been that she was not entitled to a pension.—A. In that regard, perhaps Brigadier Melville could possibly answer the point. My understanding is that all you have said is quite correct. But when C.P.C. 2077 was passed in 1946 the commission went back and reviewed that type of case. Probably they would pick up all the cases where the insurance principle applied.

Q. Yes, but had a ruling been made at the time it was referred, it would have had to be that she was not entitled because the disability arose during service in Canada, not due to service in Canada, and the insurance principle did not then apply to such service. Therefore, if she had got a ruling at once it would have been an adverse one.—A. That is true. I think that the record shows that the commission did take up most of those cases.

Q. They did endeavour to go back over them to find if there were any in which they would have made a different ruling if the insurance principle had been in effect. In going back over those cases it is not surprising that they

would miss one here or there when the law was changed. I think that should be stated in fairness to everybody. Now, then, are there any other questions, gentlemen, that you wish to ask of Mr. Lumsden? Is there anything further you would like to say, Mr. Lumsden? Mr. Thompson?

Mr. THOMPSON: The only thing is that in going back and getting this information for Exhibit A we did go back into our card record system and found another 77 cases on which we drew precis, and if it was your wish we would give them to the committee and they could be put on the record. They were cases supporting the contentions in our brief. It is entirely up to the committee.

The CHAIRMAN: If as a result of research it bears upon the prevailing questions and you want to send them to me, I will take them up with the steering committee and they can decide whether it is proper and whether we should put them on the record.

It was the thought of the steering committee, gentlemen, that when we completed the further submissions of the Legion we would proceed with the pension bill at the next meeting, which would be at 11.30 tomorrow.

Mr. JONES: I thought Mr. Goode was going to ask a question about the war veterans allowance, and if the president of the Legion could explain a little more fully the part of the brief dealing with that point, and if he could tell us what the situation is regarding the veteran himself today. Is he really handicapped? Are there many suffering under the present form of the Act? I believe Mr. Goode was going to ask for certain information to support the contentions in the brief.

Mr. GOODE: I was going to ask the question in the same form as expressed by Mr. Jones, but I was waiting for the chairman to complete his remarks.

Mr. LUMSDEN: We have, of course, no statistics in regard to the amount of need of war veterans allowance recipients. All we can go on are the reports that come in to us from branches in regard to this situation and applications received from individuals themselves. These reports indicate that in a number of areas across Canada, particularly the urban areas, many of the war veterans allowance recipients are in extreme need and find it very difficult to get along on their allowance. It does not require, I think, any statistics to indicate that a man with no other means of support is not going to have an easy time getting along on \$50 a month, or even if he gets a supplementary \$10, nor will a couple find it very easy to get along on \$90 a month, particularly in the urban areas. That I might say, is the universal report that we get right across Canada, but as to figures, we could not give them. However, if you would like some case histories to be presented to this committee, I think we could probably get some for you.

Mr. GOODE: My intention in the first place, Mr. Chairman, in addressing Mr. Lumsden was to—the brief is not before us properly and it is not under our terms of reference—but I think you should put on the record exactly what the Legion is asking for in regard to supplementary allowances under the W.V.A. and in regard to basic rates and in regard to casual earnings. I do not think I have seen it in the brief.

Mr. LUMSDEN: We referred to the brief which was submitted to the parliamentary committee beforehand, and there our request was for \$60 a month for a single person and I think it was \$1,200 a year for a married person.

Mr. QUELCH: \$120 for the married person.

Mr. LUMSDEN: I beg your pardon; a permissive income of \$1,200 for the single person and \$2,000 for the married person and \$60 and \$120 a month for the actual allowances.

The permissive income is extremely important as we have indicated before, because we find that there are a great many people on small superannuation allowances of \$30 to \$40 a month which are of no value to them because that amount is deducted from their war veterans allowance practically, with the exception of \$10. And the war veterans allowance in itself at the present time is not sufficient to enable them to have even a semi-reasonable standard of living.

I do not think that the amounts we have asked for are excessive. I know that I would feel extremely reluctant to have to try to get along, as a married man, on \$120 a month. And I think most of you would feel that way too. A single man has \$60, and he would be in an equally difficult place. Those are the figures, and we referred to our previous brief. We had intended to incorporate a copy of that brief with our presentation, but it was decided against at the last moment.

The CHAIRMAN: I am sorry if I did not make it clear that the committee was at liberty to ask further questions. I thought I had. Now, I ask again: are there any further questions?

Well, if there are no further questions we shall now adjourn until tomorrow at 11.30 o'clock in the morning.

The committee adjourned.

SPECIAL COMMITTEE

EXHIBIT A

Case No.	Decision	Date pension applied for	Date Entitlement granted	Effective Date of award	Period not covered by entitlement
278/22	2nd R.	5.4.46	9.12.52	9.12.51	5 yrs. 8 mos.
71/7	1st R.	18.6.47 (man)	21.2.53	21.2.52	5 yrs. 8 mos.
535/2	2nd R.	22.3.49	16.3.53	16.9.51	2 yrs. 6 mos.
96/3	1st R.	5.11.48	19.11.52	19.11.51	3 yrs.
197/4	2nd R.	5.2.48	5.9.52	5.9.51	3 yrs. 7 mos.
468/12	2nd Dec.	29.11.44	11.9.53	11.9.52	7 yrs. 10 mos.
137/5	1st R.	25.7.49	1.2.54	1.2.53	3 yrs. 6 mos.
18/4	1st R.	6.2.45	26.1.54	26.1.53	7 yrs. 11 mos.
81/4	2nd R.	Mar. 1951 (man)	24.7.53	24.7.52	1 yr. 4 mos.
597/10	1st R.	28.10.47	4.2.54	4.2.53	5 yrs. 3 mos.
627/24	2nd Init.	19.1.43	2.4.52	2.4.51	8 yrs. 3 mos.
173/11	2nd R.	28.12.49	5.1.52	5.1.51	1 yr.
635/9	2nd Init.	22.2.49	8.4.52	8.4.51	2 yrs. 1 mos.
554/9	3rd R.	29.5.51	15.7.52	16.10.51	4½ mos.
704/6	2nd R.	31.7.50	19.12.52	19.12.51	1 yr. 5 mos.
133/8	1st R.	16.12.49	25.10.52	25.10.51	1 yr. 9½ mos.
647/13	6th R.	7.3.47	22.4.53	22.4.52	5 yrs. 1 mos.
328/6	2nd Init.	1.12.42	15.2.54	15.2.53	10 yrs. 2½ mos.
80/5	4th R.	6.12.51	21.7.53	21.7.52	8 mos.
357/16	2nd R.	19.12.49	22.3.52	22.3.51	1 yr. 3 mos.
653/2	4th R.	3.12.50	31.12.52	31.12.51	13 mos.
495/10	2nd R.	23.3.45	10.1.53	10.1.52	6 yrs. 9 mos.
486/16	1st R.	Sept. 1952	20.1.54	20.1.53	4 mos.
83/10	2nd Init.	23.9.46 (man)	21.4.53	21.4.52	5 yrs. 7 mos.
553/10	2nd R.	16.2.48 (man)	15.4.54	15.4.53	5 yrs. 2 mos.

Total number of files reviewed..... 243

Total number of cases listed..... 25

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Canada. Veterans Affairs, fee
Committee

HOUSE OF COMMONS

First Session—Twenty-second Parliament
1953-54

SPECIAL COMMITTEE

ON

VETERANS AFFAIRS

Chairman: W. A. TUCKER, Esq.

MINUTES OF PROCEEDINGS AND EVIDENCE

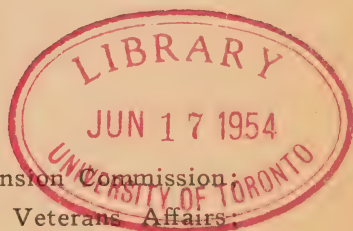
No. 9

WEDNESDAY, JUNE 2, 1954

WITNESSES:

Mr. J. L. Melville, Chairman, Canadian Pension Commission;
Mr. G. L. Lalonde, Deputy Minister of Veterans Affairs;
Mr. T. J. Rutherford, Mr. A. D. McCracken,
and Mr. H. C. Griffith, of V.L.A.

EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1954.





ORDER OF REFERENCE

WEDNESDAY, June 2, 1954.

Ordered,—That the name of Mr. Brooks be substituted for that of Mr. MacLean on the said Committee.

Attest.

LEON J. RAYMOND,
Clerk of the House.

MINUTES OF PROCEEDINGS

HOUSE OF COMMONS, ROOM 277
WEDNESDAY, June 2, 1954.

The Special Committee on Veterans Affairs met at 11.30 o'clock a.m. The Chairman, Mr. Walter A. Tucker, presided.

Members present: Messrs. Balcom, Bennett (*Grey North*), Brooks, Cardin, Cavers, Dickey, Dinsdale, Enfield, Forgie, Gauthier (*Portneuf*), Gillis, Goode, Green, Hanna, Harkness, Jones, MacDougall, Nesbitt, Pearkes, Philpott, Quelch, Roberge, Thomas, Tucker, and Weselak.

In attendance: Mr. E. L. M. Burns, Deputy Minister of Veterans Affairs, and the following other officials of that Department: Mr. G. L. Lalonde, Assistant Deputy Minister; Mr. G. H. Parliament, Director General of Veterans' Welfare Services; Mr. E. J. Rider, Research Adviser; Mr. C. B. Topp, Chief Pensions Advocate; Mr. E. V. Wilson, Travelling Inspector, Veterans Bureau. Also, Mr. T. J. Rutherford, Director, Veterans' Land Act, with Mr. A. D. McCracken, Senior Administrative Officer, Mr. H. C. Griffith, Superintendent, Construction Division, Mr. William Strojich, Superintendent, Property Division, Mr. W. G. Wurtele, Chief Treasury Officer. Also, Mr. J. L. Melville, Chairman, Mr. Leslie A. Mutch, Vice-Chairman, Canadian Pension Commission. Also, Mr. D. M. Thompson, Chief Welfare Officer, of the Canadian Legion, B.E.S.L.

The Committee resumed consideration of Bill 101, An Act respecting Benefits for Members of the Canadian Forces.

On Clause 12,

On motion of Mr. Bennett,

Resolved,—That the said clause be passed on the understanding that the Committee on reporting the Bill without amendment add the following recommendation to the House:

With respect to Clause 12 of the said Bill, however, as the amendment contemplated therein would, to meet the view of the Committee, result in an increased charge upon the public, your Committee feels that it has no option under the rules of the House, but to report the clause without amendment. The Committee would, however, recommend that the Government consider the advisability of substituting for paragraph (c) of sub-clause 2 of Clause 12, relating to the Unemployment Insurance Act, the following:

(c) every person who was a member of the regular forces on and immediately prior to the 5th day of July, 1950, and thereafter without any interruption in service as such member, was on service in a theatre of operations on the strength of the special force and was discharged from the regular forces within three years from the date he ceased to serve on the strength of the special force; and

The preamble and title thereof having been passed, the said Bill was ordered to be reported to the House without amendment, with the recommendation referred to above in respect to paragraph (c) of sub-clause 2 of Clause 12 thereof.

A document presented by Mr. D. M. Thompson on behalf of the Canadian Legion was referred to the sub-committee on Agenda and Procedure for consideration and report thereon.

The Committee then proceeded to the clause by clause study of Bill 339, An Act to amend the Pension Act.

Mr. J. L. Melville, Chairman of the Canadian Pension Commission, was called and questioned thereon, and for a brief period, Mr. G. L. Lalonde.

The witness filed a statement in respect to questions asked by Mr. Green, the reading of which was dispensed with, but its inclusion in the printed record was, by agreement, ordered.

Clauses 1, 3, 4, 5, 6, 7, and 9 were passed.

On the suggestion of Mr. Bennett, Clause 2 was stood over.

A lengthy discussion took place as to whether the Committee would meet again in the afternoon.

Whereupon, Mr. Jones moved that the Committee adjourn until 3.30 o'clock p.m.

And the question having been put, on the motion of Mr. Jones, it was resolved in the affirmative on the following recorded division:

Yeas—Messrs. Balcom, Bennett (*Grey North*), Cardin, Cavers, Dickey, Enfield, Forgie, Gauthier (*Portneuf*), Gillis, Hanna, Jones, Quelch, Roberge, and Weselak.—(14).

Nays—Messrs. Brooks, Dinsdale, Green, Harkness, Pearkes, and Philpott.—(6).

On motion of Mr. Pearkes, it was unanimously agreed that, notwithstanding the afternoon sitting on this day, the Committee would meet as had previously been planned on the following day at 11.30 a.m.

At 1.25 o'clock p.m., the Committee took recess.

AFTERNOON SITTING

The Committee met at 3.30 o'clock p.m. The Chairman, Mr. Walter A. Tucker, presided.

Members present: Messrs. Balcom, Bennett (*Grey North*), Brooks, Cardin, Croll, Dinsdale, Enfield, Forgie, Gauthier (*Portneuf*), Gillis, Goode, Hanna, Harkness, Johnson (*Kindersley*), Jones, MacDougall, Nesbitt, Philpott, Quelch, Roberge, Tucker, and Weselak.

In attendance: Same as are shown in attendance at the morning sitting.

The Committee resumed clause by clause study of Bill 339, An Act to amend the Pension Act, and Mr. Melville, in this connection, was called.

On the suggestion of Mr. Bennett, Clauses 10, 11, 12, 13, 16, and 18 were stood over.

Clause 14 was passed.

On Clause 15,

On motion of Mr. Croll,

Resolved,—That the said clause be amended by inserting after the word "under" in line 15 on page 6 of the Bill, the following: "paragraph (a) of subsection (1) of".

Clause 15, as amended, was carried.

Clause 17 was passed.

On Clause 19,

On motion of Mr. Croll,

Resolved,—That the said clause be amended by substituting to the word “thirteen” in line 15 on page 7 of the Bill, the word “eleven”.

Clause 19, as amended, was passed.

Consideration of Bill 339 was adjourned to a later date.

The Committee then proceeded to the clause by clause consideration of Bill 459, An Act to amend the Veterans' Land Act.

Mr. Rutherford, Mr. McCracken, Mr. Griffith, and Mr. Gunn were in turn, questioned with respect to the said Bill.

Clause 1 was passed.

Sections 45 to 52, both inclusive, under Clause 2 of the Bill, were passed.

At 5.45 o'clock p.m., the Committee adjourned to meet again at 11.30 o'clock a.m., Thursday, June 3, 1954.

A. CHASSÉ,

Clerk of the Committee.

EVIDENCE

JUNE 2, 1954
11.30 A.M.

The CHAIRMAN: The committee will now please come to order. I informed the committee at the time that the clause in the War Veterans Benefit Act, section 12, subsection 2 was stood that the matter was under study by the department and I believe that Mr. Bennett is now prepared to make a statement about it. And then, if that is satisfactory to the committee, we then might deal with this particular bill and report it.

Therefore we will now have the statement from Mr. Bennett on bill 101. If there is no objection we will deal with it, but if there is any objection we will not. I now call on Mr. Bennett to make his statement.

Mr. BENNETT: Mr. Chairman, as you have stated, section 12 of bill 101 was stood at one of our recent meetings.

Section 12 of the bill deals with unemployment insurance and makes the Unemployment Insurance Act applicable to various classes of veterans including in paragraph (c) "every member of the regular forces who has been on service in a theatre of operations on the strength of the special force and who has been discharged from the regular forces on medical grounds for a disability related to his service in a theatre of operations."

In the discussion in the committee on May 24, Mr. Clarence Gillis, the member for Cape Breton South, along with other members, argued that there could be no reasonable or logical justification for excluding from the benefits of the Unemployment Insurance Act members of the regular forces who were members of those forces prior to the 5th of July, 1950, if they had service in a theatre of operations. It was pointed out that if these members had joined the forces subsequent to the 5th of July, 1950, and had service in a theatre of operations they would be entitled.

Although there may have been good reason for making such a distinction in 1950 and discriminating between those who were in the regular forces before the 5th of July, 1950, and those who came into the regular forces after that date, conditions have changed and I have been authorized to say on behalf of the Minister and the Government that it is now considered in the public interest to remove the difference in treatment of the two classes.

I have consulted with Dr. Olivier and he informs me that this committee should report the clause in question without amendment, but to keep within the rules of the House. In our report to the House we should recommend that the government give consideration to the amendment which we desire. Therefore I would suggest, Mr. Chairman and members of the committee, that if we pass this clause this morning without amendment, it is on the understanding that this recommendation will be contained in our final report, which reads as follows:

With respect to clause 12, as the amendment contemplated therein would, to meet the view of the committee, result in an increased charge upon the public, your committee feels that it has no option, under the rules of the house, but to report the clause without amendment. The committee would, however,

recommend that the government consider the advisability of substituting for paragraph (c) of subclause 2 of clause 12, relating to the Unemployment Insurance Act, the following.

(c) every person who was a member of the regular forces on and immediately prior to the 5th day of July, 1950, and thereafter without any interruption in service as such member, was on service in a theatre of operations on the strength of the special force and was discharged from the regular forces within three years from the date he ceased to serve on the strength of the special force; and

So, Mr. Chairman, I move that we pass clause 12 which was stood at a previous meeting upon the understanding that our report contain what I have just stated.

The CHAIRMAN: The committee has heard Mr. Bennett's statement in respect to the minister and the government meeting the wishes of the committee in this particular matter. Apparently this is the only way in which we can deal with the matter. In view of the fact that it involves the expenditure of money. So, if this does meet the points raised by the members, and first of all by Mr. Gillis, I presume that we can pass the clause which was stood, that is, clause 12 subsection 2 upon the understanding that Mr. Bennett is going to move that we include the suggested recommendation as to its amendment in our report of the bill.

Is it agreed that we carry clause 12 subsection 2?

Mr. GILLIS: The amendment covers exactly what I had in mind, Mr. Chairman, and I just want to say that it also proves that this committee is worth something. These things are not inflexible and we can change them if there is merit in our recommendation.

The CHAIRMAN: That is correct. Does clause 12 subsection 2 carry?
Carried.

I take it that you move, Mr. Bennett, that we can report the bill?

I will put the bill first. Shall the preamble carry?

Carried.

Mr. PEARKES: Before we pass on, Mr. Chairman, I would like to ask some questions about re-employment of members of the forces in the civil service, and whether we could not have certain orders in council which I hoped would explain the situation.

The CHAIRMAN: Mr. Parliament will speak to the matter.

Mr. PARLIAMENT: Mr. Chairman, I would like to table two orders in council, P.C. 4559 dated the 29th day of August, 1951 entitled "the civil service military leave regulations", and P.C. 5740 dated the 29th day of October, 1951 and entitled "military leave regulations for prevailing rate employees and government ships officers". They are separate orders in council dealing with these matters.

Mr. PEARKES: May I ask a question regarding the regulations for prevailing rate employees? A lot of prevailing rate employees who enlisted in the armed forces and who have now returned find that their positions are not available for them. Can they be admitted back into the civil service in the same way as other personnel were? Could Mr. Parliament tell us that?

Mr. PARLIAMENT: There are restrictions on the type of employment under subsection c of that first order in council. It is a treasury board regulation and is administered by the treasury board. But there seem to be restrictions. They must have been in the civil service prior to 1948, I think.

Mr. PEARKES: I have not got the order in council before me and I do not want to delay or hold up the bill too long. Might I ask you this: does

the prevailing rate employee have to be appointed to a permanent position in the public service, or does he have to be appointed to a temporary position in the public service for which he qualifies by a competitive examination, and if he does not meet those qualifications, is he barred from being taken back into the civil service again?

The CHAIRMAN: Yes. You can read the Orders in Council and it may be that if your question is answered we will not have to table both of these long documents.

Mr. PEARKES: I would like to have the two orders in council, the one dealing with ordinary civil servants and the one dealing with prevailing rate employees, because I believe, or I am informed that there is a considerable difference in that some men who joined the service from the prevailing rate class believed that they would have their positions open to them when they returned from Korea, only to find that they were barred by certain restrictions.

The CHAIRMAN: Mr. Parliament might answer your question. You have the right to examine those orders in council and then at a subsequent meeting, if you want to have them put on a record, you could ask for it. But if you did not think it would serve any reasonable purpose we would not put them on the record because it costs money to print all these things. Is that satisfactory?

Mr. PEARKES: Anything which I can do to help this government economize would be a pleasure!

The CHAIRMAN: I thought that would be your attitude. Would you mind answering the question, Mr. Parliament?

Mr. PARLIAMENT: An employee to whom the prevailing rate employees general regulations apply, according to section 2, paragraph (a) of order in council p.c. 5740, reads as follows:

- (a) has been appointed to a permanent position in the public service, or
- (b) has been appointed to a temporary position in the public service for which he qualified by competitive examination, or
- (c) has been appointed to a temporary position without having qualified by competitive examination, is entitled to any of the statutory preferences for war service, and has been continuously employed since prior to January 1, 1948, or
- (d) has been appointed to a temporary position without having qualified by competitive examination, is not entitled to any of the statutory preferences for war service, and has been continuously employed since prior to January 1, 1954 shall be treated as being on leave of absence without pay from his civil position during any period subsequent to July 5, 1950 in which he serves,
 - (i) in the special force or,
 - (ii) in the regular forces, or
 - (iii) in the special force and, subsequently thereto, in the regular forces,provided, however, that the period of service in the regular forces shall not exceed three years."

Mr. PEARKES: That was rather a long quotation and I am not certain that I followed it correctly. Does that mean that a man would not be entitled to reinstatement if his position had been permanent, if he did not qualify for his position by a competitive examination, or if he has not been continuously in the service since the 1st of January, 1948?

The CHAIRMAN: I think what you say is right; if he has been appointed to a temporary position without having qualified by a competitive examination,

he then must have been continuously employed since prior to January 1st, 1948, or have been continuously employed since prior to January 1st, 1945 in order to qualify.

Mr. PEARKES: As to that clause of privilege of reinstatement into the civil service: some men left the civil service, as did this class of prevailing rate employees who joined with the Korean forces—and if I recall the date of this order in council, it is 1951 which would be after some of those men had joined the Korean force—under the impression that they would be reinstated when they came back. Thereby I think a hardship has been inflicted upon a limited number of prevailing rate employees in the civil service who joined up believing that they would be reinstated when the operations in Korea were over, only to find when they returned to Canada that they were barred from reinstatement privileges by these restrictions which were dated in 1951. I cannot tell you how many such cases there were but might I suggest to the department that they look into this matter and see whether it might not be possible, even at this late date, to change the regulations so that the prevailing rate employees who enlisted in the Korean forces prior to 1951 would have an opportunity of being reinstated or of getting the benefit of being reinstated?

The CHAIRMAN: Well, Mr. Pearkes, I think that this is worded in a very complicated way and subclauses (c) and (d) seem to cover the same point in a different way. Now, I think Mr. Parliament's suggestion that we have the proper officer who administers these things for the Civil Service Commission come here and answer the question is probably a wise suggestion because otherwise we might get the wrong idea about it.

Mr. PEARKES: I agree it is worded in a very complicated way. I have not been able to gather exactly the intent of the order in council from the reading of it today. I am not suggesting we delay this bill or anything. I am simply suggesting the department look into this matter. We have the parliamentary assistant here and perhaps he would look into the matter. Personally, I think it is too late now, but I do think a hardship has been inflicted on a few men who joined the Korean forces in 1950 believing they would have reinstatement into the civil service, and then were barred from being reinstated by this subsequent order in council. I think it is too late now for them to be reinstated because they would have joined the active forces and I do not know that the provisions would still provide for them. Most of them are out in civilian life and I am afraid it is too late but if there is any way of recompensing them I think it should be done.

Mr. BENNETT: We will look into the matter.

The CHAIRMAN: And you will see that a letter is sent to Mr. Peakes outlining the results of your investigations?

Mr. BENNETT: We will.

The CHAIRMAN: Shall the preamble carry?

Carried.

Shall the title carry?

Carried.

Shall I report the bill subject to this proposed recommendation?

Agreed.

I will report the bill. That is agreed. Have you got that motion ready, Mr. Bennett?

Mr. BENNETT: The reporter has taken my resolution. It is on the record.

The CHAIRMAN: Is it agreed on the motion of Mr. Bennett that we recommend as part of our report of this bill, the motion that he moved?

Agreed.

The CHAIRMAN: Well then, I will report the bill without amendment and report your recommendation that consideration be given to the recommendation of this committee in regard to clause 12.

Now, the next item is the pension bill. First of all I have a letter from Mr. Thompson, the chief service officer, who gave evidence before us yesterday and the effect of the letter is that the cases referred to in exhibit "A" which he filed all referred to claims arising out of service during World War II. The committee will remember the question was asked by Mr. Weselak as to whether this exhibit would apply to World War I and World War II veterans and Mr. Henderson asked how many of these cases shown in exhibit "A" were World War I cases. Mr. Thompson in this letter states: "In order to obtain accurate information for the members of your committee we checked over the files of the 25 cases referred to in our exhibit "A" and found they all pertain to claims arising out of service during World War II".

Mr. Thompson has also prepared a suggested Exhibit "B" giving a brief summary of the cases referred to yesterday. I have not counted the number of pages but there must be 20 pages of summary and I suggest that the steering committee have a look at this brief and decide whether or not the recommendation will be made that it be printed. If it is not printed, of course, it will be made available to all the members of the committee.

Mr. BENNETT: Agreed.

Mr. GREEN: Mr. Chairman, if it is to be printed would it not be wiser to have it printed today so that it will follow the evidence given by Mr. Thompson; otherwise, if it is printed two or three days hence, it will be difficult to trace it.

The CHAIRMAN: It was just given to me. I will count the pages and tell the committee how many pages there are. Yes, I made a good guess—there are 20 pages of fairly close typing. We will have to stand several clauses of the pension bill.

Mr. BENNETT: I am going to ask that clause 8 be stood anyway and that is the relative clause if the committee would agree to that.

The CHAIRMAN: I think myself before we put anything into the record someone should have had a look at it and I had in mind that the steering committee would have a look at this, and if it is not necessary to print it or if it is decided that it does not add anything to what we require in regard to considering this matter, we will not have to print it but could, if so desired, circulate it among the members. On the other hand, if the steering committee want it printed it will be printed. I spoke to Mr. Thomas about this and he tells me it is quite long but it was in the shortest form they could put it, and they will be satisfied with whatever we feel is the wisest thing to do. In view of the fact that we are going to stand the particular section this applies to, I suggest it be left to the steering committee to decide whether it should be printed in our record. Is that agreed?

Hon. MEMBERS: Yes.

Mr. GOODE: I do not wish to disagree with you at all, but I think it is the responsibility of every member of this committee to take a look at that. If there are that number of pages we certainly will not get around to examining it. I certainly want to study it and I expect some of the other members feel the same way. Would it not be possible to have someone type that for us so that we could have that on our records. We have had evidence on this point and I am interested in it and would like a copy for my permanent record. I would suggest we have this typed so that everyone will be able to look at it.

The CHAIRMAN: I am sorry the acoustics are so bad in this room. I have already said if the steering committee decides not to print it I would be satisfied

to have them mimeograph it so that every member of the committee will have a copy. Now, I am sure they will do either one or the other because I am certain the steering committee would want every member of the committee to have the benefit of the work that has been done by the Legion at our request. I would want every member of the committee to have the benefit of that. I think I can safely say that if the steering committee decides not to have it printed as part of our record, it will be mimeographed and distributed among the members of the committee.

As a matter of fact, perhaps I should draw to the attention of the committee the fact that there were three errors made in exhibit "A" which was filed yesterday, but I do not think they affect in any way what was stated based upon exhibit "A". I draw this to the attention of the committee because you may find exhibit "A" is not exactly as it appears in the record, but these changes are comparatively minor, I think. Now, if Mr. Melville would come forward with Mr. Mutch we will take up the pension bill. Mr. Melville has prepared an answer to Mr. Green's question which he will now present.

Mr. J. L. Melville, Chairman, Canadian Pension Commission, called:

The WITNESS: Mr. Chairman, at the conclusion of the meeting of the committee last Friday, Mr. Green introduced a number of questions and asked that if possible the answers be produced. Through the co-operation that is always so readily given to me by my staff and the staff of the chief treasury officer I have a statement here and I hope it will be realized that under the code system which is in use by the pensions statistics division of the chief treasury officer, it is impossible to give detailed answers to all the questions asked. An endeavour has been made, however, to supply the statistics which relate to the questions. The commission maintain a relatively small number of statistics. When our decisions are rendered they are passed to the chief treasury officer and are recorded and he is the one responsible for the maintenance of records. May I suggest, Mr. Chairman, as this return or reply involves three closely typed pages and a great many figures, that I give one copy to you and one to Mr. Green and have the report incorporated in the proceedings of this meeting.

The CHAIRMAN: Is that agreed?

Hon. MEMBERS: Yes.

Mr. GREEN: That will be included in the proceedings for today?

The CHAIRMAN: Yes.

I hope it will be realized that under the code system in use by the pensions statistics division of the chief treasury officer, it is impossible to give detailed answers to the questions asked. An endeavour has been made, however, to supply the statistics which relate to them.

Question 1: How many of the death claims granted were allowed automatically, i.e. the veteran died of his pensionable disability or was in receipt of pension in classes 1 to 11 (50 per cent or more)?

Answer: Figures are not available. To secure same it would be necessary to tabulate the cards on every death decision. When a disability pensioner in receipt of a pension in classes 1 to 11 dies an immediate decision pensioning his widow under Section 36(3), and if there are dependent children, such children under Section 26(7), is made. The relationship of death to service is considered when the death certificate is received and if the death can be related to service, the award is transferred from one under Section 36(3) or 26(7) to one under Section 13(1)(b).

For the period 1.4.49 to 31.3.54, for World War I and World War II, immediate decisions under Section 36(3) and 26(7) were made as follows:

Widows with or without children	1,870
Children in own right under 26(7)	21
Total	<u>1,891</u>

Question 2: How many of the remaining claims referred to matters other than straight entitlement to pension for disability under Section 13 of the Canadian Pension Act or widows' claims not included in question 1? i.e.:

Additional pension for wife and/or children.

Dependent parents.

Dependent brothers or sisters.

Helplessness allowance.

Last illness and burial expenses.

Clothing allowance.

Section 25 awards.

Others.

Answer: Decisions rendered with respect to applications for additional benefits when disability pension is in payment 1.4.49 to 31.3.54

W. W. I & W. W. II

Granted Not Granted Total

Additional pension for wife and/or children	5,572	204	5,776
Dependent parents	724	405	1,129
Dependent brothers and sisters	—	—	—
Helplessness allowances	690	356	1,046
Last illness and burial expenses ...	3,268	1,374	4,642
Clothing allowance	967	155	1,122
Section 25 awards	171	172	343
*Others	14,691	1,452	16,143
Totals	<u>26,083</u>	<u>4,118</u>	<u>30,201</u>

* Includes child extension, person in lieu of wife, etc.

Question 3: How many of the remaining claims concerned widows' applications other than those referred to in question 1?

Answer: The question is not clear, but during the period 1.4.49 to 31.3.54, 2,637 decisions were rendered on widows' applications for pensions, both wars (in addition to the 1,870 mentioned in answer to question 1). Of these, 2,378 were Granted and 259 Not Granted.

Question 4: How many of the claims concerned straight applications for entitlement for pension on account of disability under Section 13 of the Act?

Answer: Approximately 63,952 for World War I and World War II.

SPECIAL COMMITTEE

Question 5: How many World War I claims were granted at: (a) First Hearing, 1. Disability, 2. Death; (b) Second Hearing, 1. Disability, 2. Death; (c) Appeal Board Hearing, 1. Disability, 2. Death.

Answer:

Disability

First Hearing decision	2,101	
Second Hearing decision	195	
Consequential decision	1,332	3,628

*Appeal Board decision		345
TOTAL:		3,973

Deaths

First Hearing decision	1,257	
Second Hearing decision	18	1,275

*Appeal Board decision		45
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TOTAL	1,320
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GRAND TOTAL:	5,293
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* Not included in return tabled.

Question 6: How many World War II claims were granted at (a) Initial Hearing, 1. Disability, 2. Death; (b) First Renewal Hearing, 1. Disability, 2. Death; (c) Second Renewal Hearing, 1. Disability, 2. Death; (d) Third and subsequent Renewal Hearings, 1. Disability, 2. Death; (e) Appeal Board Hearings, 1. Disability, 2. Death.

Answer:

Disability

Initial decisions	12,704	
*Renewal decisions (the majority of these resulted from automatic reviews by the C.P.C.)	11,474	
Consequential decisions	320	24,498

**Appeal Board decisions	3,013
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Total	27,511
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Deaths

Initial decisions	1,402	
*Renewal decisions	67	1,469

**Appeal Board decisions	116
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Total	1,585
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Grand Total	29,096
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* Figures not immediately available as to classification of Renewal decisions.

** Not included in return submitted.

Question 7: How many of the claims granted had previously been turned down as "pre-enlistment, not aggravated during service"? 1. Disability, 2. Death.

Question 8: How many of the claims not granted, where there had been service overseas, were ruled "pre-enlistment not aggravated"? 1. Disability, 2. Death.

Question 9: In how many disability claims, partially granted, where there had been overseas service, were rulings given as: (a) pre-enlistment, recorded on enlistment, aggravated during service, 1. W.W. I, 2. W.W. 2; (b) pre-enlistment, obvious on enlistment, aggravated during service, 1. W.W. 1, 2. W.W. 2.

Question 10: How many of the total claims described by questions 5 and 6 were actually granted within twelve months of the initial application?

7, 8, 9, 10—Figures not available. To answer these question would require sorting and tabulating over 63,000 cases and would involve additional trained staff.

The CHAIRMAN: Now, clause 1 of the bill.

Mr. PEARKES: I have just one small question on clause 1. I notice the definition of "hospital allowance", which is replaced by the new definition of "treatment allowance", defines "hospital allowance" as meaning "pay and allowances". Under the "treatment allowances" only allowances are referred to. Now, is there any significance in the omission of the word "pay and allowances"? Pay, of course, is different from allowances.

The CHAIRMAN: Can everyone at the back of the room hear the question?

Hon. MEMBERS: No, no.

Mr. GOODE: We could not hear a word.

The CHAIRMAN: Mr. Pearkes asked if there was any significance in the change of wording in clause 1. Would you answer that, Mr. Melville, please.

The WITNESS: May I say in opening, Mr. Chairman, that the commission has endeavoured in this bill to take advantage of the opportunity to do a little house cleaning. Certain clauses of the Act were not clear, and were contrary to some regulations which are now in effect. With regard to the question asked by General Pearkes, you have to go back to very very early history when "pay and allowances" was the term used and an equivalent of that amount was paid. Then "hospital allowances" became the term and hospital allowances are the equivalent of 100 per cent pension less a small deduction for maintenance. The term "treatment allowance" is now used so in order to avoid confusion at any time in dealing with veterans affairs and other legislation and the Pension Act this change has been made, and I assure General Pearkes it has no financial implications and the benefits are exactly the same.

The CHAIRMAN: Agreed?

Hon. MEMBERS: Yes.

Carried.

By Mr. Green:

Q. In the brief submitted by the national council they dealt with this deduction of \$15 from the allowance payable. It is found on page 7 of their brief under the heading "Deduction from treatment allowance." Their recommendation reads as follows:

That the practice of deducting \$15 per month from the allowance payable to a disability pensioner, when he goes into a Department of Veterans Affairs hospital for treatment of a disability which has

occurred as a result of active service, be eliminated. This Council on other occasions has advocated this policy and are still of the same opinion.

Then they go on to comment on their suggestion that this \$15 should not be deducted and finish their submission on this point with this sentence:

Any regulations, in our opinion, which may have been made to cover this deduction have in fact no authority in the Act and the money deducted from the veterans mentioned has been wrongfully charged.

Now, I would like to have Brigadier Melville's comment on that submission. May I say I think it would be wise to stop deducting this \$15. That is only my own opinion, but I think that the time has come when that deduction should be done away with.—A. In the great majority of cases, gentlemen—well over 50 per cent—the pension award which continues through the period of treatment is supplemented by treatment allowances. When a total disability pensioner goes into hospital and is getting 100 per cent pension, a deduction of \$15 a month is made by the chief treasury officer. The general effect of that is that all patients in hospital who are receiving treatment for their pensionable condition receive this same amount. That is, the 10 per cent pensioner has his 10 per cent pension supplemented to the treatment allowance rate. The 100 per cent pensioner has the \$15 reduction so that all pensioners in hospital receive the same amount of compensation. In the one case it is entirely pension and in the other case it is pension plus treatment allowance which brings it to the same total.

Q. You did not understand my question with regard to this. The submission of the national council is that there is no authority for deducting \$15. Before you answer that, Brigadier Melville, I presume that the reason there is this provision for raising the money that the veteran gets while he is in hospital to 100 per cent less \$15 is that no matter how small his pensionable disability may be it is considered that while he is in hospital he is 100 per cent disabled. That seems to me to be the reason for providing that by means of treatment allowance—he gets 100 per cent pension while he is in hospital and of course he is actually 100 per cent disabled while he is in hospital even although his pensionable disability may be only 10 per cent. Is that the origin of this provision, that by means of treatment allowance everyone who is in the hospital—every pensioner—will in effect be getting 100 per cent pension during the time he is in hospital?—A. You asked if that is the origin.

Q. Or the reasoning behind it.—A. No, but I can explain the origin. The origin arises from the fact that years ago—and this continued for many years up until 1946, in fact—when any patient went into hospital for treatment of his pensionable condition his pension ceased and he then became entitled to hospital allowances. These hospital allowances were the equivalent of 100 per cent pension less deduction for hospital maintenance. The Act was amended in 1946 and by regulations which are made in accordance with the statute provision is made now whereby deduction is taken from the pension in the few cases that are affected by the regulation.

MR. GREEN: You therefore are treating it as though it was only a deduction in the case of a one hundred per cent pension, but I think that is the wrong approach because if the present plan is the correct one, when a man goes to hospital, no matter how slim his pensionable disability may be, he will be treated as a one hundred per cent pensioner and he is going to get more money up to the one hundred per cent pension. That apparently is the law, and I think it is a very sound one because a man is totally disabled while he is in hospital. So you say that because the man may only have a ten per cent pension, he would get more, than he would get out of hospital. Therefore, he

benefits. The \$15 is deducted, but you say it does not affect him at all. If they are all entitled to be brought up to one hundred per cent pension, then that part of your argument is not a valid one.

Mr. DICKEY: There is no argument.

Mr. GREEN: The point is this: upon what statutory basis is this deduction of \$15 made? Apparently it is in the regulations that there should be a deduction of \$15 a month. Upon what provision in the Pension Act does that deduction rest?

Mr. MELVILLE: There is no provision in the Pension Act. It is done by a regulation made under another statute for which the commission is not responsible.

Mr. GREEN: Under what statute is it made?

Mr. MELVILLE: The Veterans Affairs Act.

Mr. GREEN: The Department of Veterans Affairs Act?

Mr. MELVILLE: Regulations are made under that Act which relate to treatment.

Mr. GREEN: I see. There is no basis whatever in the Pension Act for the deduction.

Mr. MELVILLE: There is none whatever.

Mr. GREEN: I do not know what the rest of the committee may think about it, but I do not see the reason for deducting this \$15 a month. I think it should be stopped.

Mr. GILLIS: I have always said that I am opposed to any regulations which change what the Act indicated when the Act was written. This is not the only one. There are many other cases. And when a pensioner goes into the hospital and his pension becomes a one hundred per cent one, and he is put on pay and allowances, does that increase the amount of money monthly which he would receive?

Mr. MELVILLE: Are you speaking of a total disability pension?

Mr. GILLIS: Yes.

Mr. MELVILLE: A total disability pensioner—let us take an actual case of a single man who is getting \$125 and he is admitted to hospital today for treatment for his pensionable condition. He will receive \$110, and the deduction is made by the chief treasury officer in accordance with the regulations which are made under statutory authority.

Mr. GILLIS: It is an arbitrary figure which is set by regulation by the treatment branch of the Department of Veterans Affairs. Well, of course, the commission has no jurisdiction over it, but as far as I am concerned, I am absolutely opposed to it. I do not think that the department has any right or authority to make regulations which reduce the amount of money which the Act fixes and to which the man is entitled to have if he is receiving a one hundred per cent pension. That is a reduction in his pension. I think, while I am no lawyer and Mr. Green is a lawyer, that they do not have any right to do it. I believe it is something which this committee or the members of this committee should take up with the treatment branch, of the Department of Veterans Affairs, because that is the branch which is doing this thing. Now, if the pensioner of course, is only getting a ten per cent, or fifteen per cent, or a twenty per cent pension, the same \$15 deduction applies.

Mr. MELVILLE: Suppose the pensioner has a ten per cent award. Take the case of a single man; his ten per cent pension would be \$12.50. That award of pension is supplemented by treatment allowances to \$110; so all the pensioners who go into hospital for treatment for a pensionable condition, get the same total.

Mr. GILLIS: Is there an arbitrary figure set when treatment received in a departmental hospital? Is that \$15 per month fixed? May I have an answer to my question? Is that a fixed amount which is charged to every pensioner who goes into hospital?

Mr. MELVILLE: It is a deduction which is made by departmental regulation.

Mr. PHILPOTT: Quite apart from the mechanics of the thing, whereby \$15 a month is deducted, was not the general idea behind this deduction the fact that the man would not have to buy his food while he was in the hospital? Was that not the general idea behind it?

Mr. MELVILLE: It is called a deduction for maintenance, which I think answers your question, although I speak as Chairman of the Commission.

Mr. PHILPOTT: Without expressing any opinion on it, I might say that when I was in hospital I never heard any particular complaint about it. I thought that the fellows were making out all right because they did not have the expense of maintaining themselves while they were in hospital. They were getting a one hundred per cent pension, and the \$15 deducted for food did not seem to be an unreasonable deduction.

Mr. DICKEY: Hear, Hear!

Mr. MACDOUGALL: Is it not a fact under the present statute that this \$15 a month deduction is taken off the pension regardless of whether the percentage of pension disability is ten per cent or ninety per cent, and that the pensioner is better off under that, regardless of our opposition to regulations? Is he not better off when he goes into a military hospital? Does he not benefit in terms of dollars and cents by virtue of that? That is the point I think we should consider. Is the pensioner not better off or is he worse off by virtue of this \$15 a month maintenance deduction? In my opinion I think he is better off, regardless of whether I agree or disagree with Mr. Gillis and Mr. Green with respect to the \$15 deduction. The pensioner, in my opinion, is definitely better off.

Mr. GILLIS: That is not the point at all. The member for Vancouver-South said that he had never heard anyone complain about it in a hospital. Certainly not, because there is no one to complain to in a hospital.

Mr. PHILPOTT: The boys can talk among themselves.

Mr. GILLIS: Yes, but who are you going to complain to? I have heard a lot of complaints; but I think we have got the wrong witness. This witness is not the one to answer this question. The point is this: the pension Commission may assess a disability at one hundred per cent which means \$125; then when the pensioner enters hospital the Veterans Affairs Department by regulation reduces that amount by \$15 a month. I do not think that they have any authority to do so. But I think we will have to wait until we get the proper witness before us to argue it.

Mr. QUELCH: Mr. Green's point is whether or not statutory authority exists for the \$15 deduction. I am not going to stress that point, but I do want to say that I think the provision is a very generous one and that the majority of veterans are far better off under this provision than they would be under the provisions which existed prior to 1946 when the situation which existed then was a vicious one. Looking back over the years, when a man was sent to hospital, instead of getting the amount of pay and allowances to which he was entitled, he was cut down to \$30 or \$40 a month. Let us say a man was entitled to draw \$250 a month. He would be cut down to \$30 to \$40 a month when he entered hospital. Now, the majority of pensioners, unless they are one hundred per cent disability pensioners or ninety per cent disability pensioners, will actually be receiving more when they go to hospital than prior to that time. But as soon as they come out they will get less again. And the only protests I have received, have been from veterans who have

gone to hospital and who were then given a one hundred per cent disability, but when they came out were cut down accordingly. They would say: "We were getting one hundred per cent while we were in hospital so why are we now getting only, let us say, a fifteen per cent pension?" The majority feel it is a very generous allowance.

Mr. NESBITT: As to this \$15 deduction, rightly or wrongly as the case may be, it is based on the theory of maintenance while in hospital. I can see that argument very well in regard to a single man, but where the man is married with a family, then he has to keep up their maintenance even though he is in hospital. Perhaps Brigadier Melville would comment on that.

Mr. MELVILLE: I am very glad to. The married man gets \$45 in addition because of his wife, and he also gets \$20 for his first child, \$15 for his second child, \$12 for his third child and for each subsequent child. No deduction is made because of his dependents while he is in hospital.

Mr. GREEN: But the \$15 is still deducted.

Mr. MELVILLE: Yes.

Mr. BROOKS: Could we not have a guarantee that this \$15 might not at some time be increased to \$30 or \$45?

Mr. DICKEY: It was reduced from \$30 a couple of years ago.

Mr. BROOKS: But could it not be increased to \$30 to \$35. I think there should be some control over the amount by which it could be increased.

Mr. QUELCH: They were only receiving an allowance of from \$30 to \$40 a month at that time.

Mr. BROOKS: Yes.

The CHAIRMAN: The deduction used to be at the rate of \$30 per month. The thought was that if the veteran was not having to maintain himself while in hospital it would cost at least \$1 per day to maintain himself and therefore it was not unfair to deduct \$30. But representations were made to the Veterans Affairs Committee, some of them along the line that where the veteran was a married man, \$30 was too much. The committee recommended that it be cut down to an amount which it was certain would not be more than it would cost the veteran to maintain himself whether married or single, and it was thought that 50 cents a day would be about right. The Veterans Affairs Committee at that time thought that nobody could maintain himself in those days for less than 50 cents a day, so it was set at \$15 a month. Now, as to the actual authority for deducting that sum from the pension, where it has been taken out of the pension, that is a matter for which I presume there must be authority some place. We can find out about it. Where it is taken out of the allowance given. Of course the authority that gives the right to make the allowance, the Veterans Affairs Act which set up the Veterans Affairs Department, also gives the right to take away from that allowance. But the Pension Act provides for a pension, and the provision for taking anything out of it for any purpose whatsoever—that is the question which Mr. Green has in mind. I have been looking through it quite hurriedly, and I have not been able to find it in the Act but I have no doubt it is there someplace.

I think the committee would like to have the question answered and it may be done at the next meeting that we take up the Pension Act. I do not think it is necessary to hold up this particular section. So is it agreed to? Does it carry?

Carried.

Clause 2 "salaries"

2. (1) Subsection (11) of section 3 of said Act is repealed and the following substituted therefor:

(11) The Chairman, Deputy Chairman, the other Commissioners and the *ad hoc* Commissioners shall each be paid a salary to be fixed by the Governor in Council.

(2) Until the salaries of the Chairman, Deputy Chairman, Commissioners and *ad hoc* Commissioners are otherwise fixed by the Governor in Council under subsection (11) of section 3 of the said Act, as enacted by subsection (1) of this section, each of the said persons shall continue to be paid the salary of which he was in receipt at the coming into force of this Act.

Mr. BENNETT: I would like to have that section stand, if the committee is agreeable.

The CHAIRMAN: Let it stand.

Clause 3 "powers under inquiry Act".

Mr. NESBITT: I notice, Mr. Chairman, that it says "The commission, or subject to the direction of the commission, any appeal board, . . ." and so forth. Does that mean that the commission can delegate its authority to any person or persons as it sees fit?

Mr. MELVILLE: No, the purpose of this amendment as I explained at the beginning is really to do a bit of housecleaning. If you read the present Act it says:

7. (1) The commission, or subject to the direction of the commission, any quorum thereof, has all the powers and authority of a commissioner appointed under part I of the Inquiries Act, and may exercise any discretion conferred by this Act upon the commission.

The quorum was abolished years ago and the appeal board substituted. The amendment has been discussed with the Department of Justice.

Mr. NESBITT: It says "any appeal board".

Mr. MELVILLE: An appeal board is constituted of three members of the commission.

The CHAIRMAN: Shall the clause carry?

Carried.

Clause 4.

4. Subsection (8) of section 24 of the said Act is repealed.

Mr. GREEN: I have a question with respect to clause 4 and which is related to the discussion of clause 1 about the treatment allowance. The explanatory note sets out that the reason this subsection 8 of section 24 is being repealed, is because it gives the Pension Commission the power to pay to the dependant of the deceased pensioner, or to whoever has maintained him throughout his last illness the balance of the month's treatment allowance. Suppose a man died in the first week of the month. There is power under the present subsection 8 for the Pension Commission to pay the whole of his pension for that month, or any of the pension that has not been paid at that time, and also to pay any balance of an allowance that has not been paid to him. But with the repeal of this subsection, that power will be taken away in so far as it refers to the treatment allowance. The commission will still be able to pay over the balance of the pension to the dependant, but it will not be able to pay the balance of the treatment allowance. I take it from the explanatory notes that that is what the effect of repealing this subsection would be. Am I correct?

Mr. MELVILLE: The general effect, or the purpose is this: when death takes place the pension ceases and the commission is called upon to pay or to dispose of the unpaid balance of pension to the date on which the death occurred, and we deal with it.

We do have referred to us by the department unpaid balances of treatment allowances and we sometimes have to wait. We now say: he was under treatment by the Department of Veterans Affairs, so let them deal with it and dispose of that balance of treatment allowances.

We will deal with the pension and pay out the amount in so far as the pension is concerned. That we can do expeditiously. It is, in our opinion, proper administration of the Act. We suggest that the Act be amended because the actual section which exists today is a heritage of the past.

Mr. GREEN: Has the practice been to pay whatever remains of the treatment allowance due up to the date of death?

Mr. MELVILLE: Generally speaking it has been, unless the department has occasion to pass on an opinion to the commission that they think that something otherwise might be done.

Mr. GREEN: The general practice has been to pay over this balance of treatment allowance?

Mr. MELVILLE: Yes.

Mr. GREEN: Well, will that be the practice in the future?

Mr. MELVILLE: I cannot answer for the department. But I can say that the commission, immediately upon receiving notification of death, endeavours to make available, particularly where there are dependants, the unpaid balance of pension, and the department, I assure you, acts as expeditiously as they can towards meeting that need.

Mr. GREEN: Hitherto the Pension Commission has been handling all these payments where a balance was outstanding, including both the balance of pension and the balance of treatment allowance. Now you will be no longer concerned with the balance of treatment allowances. That will be the responsibility of the department itself, is that correct?—A. That is correct, these treatment allowances are paid out of a different appropriation altogether.

Q. I would be afraid that the result of that would almost certainly be that there would be no payment of unpaid treatment allowances unless we could have assurance from the deputy minister that such will not be the case. I do not think there should be any change in the practice that has been followed under which, in most cases, the balance of the treatment allowance has been paid to the dependent.

The WITNESS: The assistant deputy minister is here. Perhaps he would care to comment on that.

Mr. LALONDE: Mr. Chairman, there has been no intention of doing that to my knowledge. I have not heard of any intention of changing the present system of dealing with treatment allowances after a man's death in cases where there is an estate or a dependent. I have not heard any intention even mentioned of changing the present system.

Mr. GREEN: The only effect of changing the subclause is that the department would pay back the balance of treatment allowances instead of the Canadian Pension Commission?

Mr. LALONDE: As a matter of fact, this is perhaps housecleaning as Mr. Melville said. These are handled by the estate branch of the department and they will continue to do so.

Mr. HARKNESS: Is there any provision that the balance shall be paid to the man's dependents or is that entirely in the discretion of the department?

Mr. LALONDE: I am sorry, Mr. Harkness, I do not have the treatment regulations with me at the moment.

The CHAIRMAN: I have them here.

Mr. LALONDE: Thank you. There are some exceptions. I am sorry, perhaps I misunderstood your question. Do you mean where there are direct dependents of the deceased veteran?

Mr. GREEN: Yes.

Mr. LALONDE: No, then it goes to them, but there may be cases where there are no direct dependents but relatives of the deceased who are still living who are not entitled to the payment of treatment allowances because they were not dependent on the veteran—for instance, nephews, nieces and cousins.

Mr. HARKNESS: It is directly provided for then in the Act of the Department of Veterans Affairs or in the regulations that the balance of the treatment allowance will go to the dependents?

Mr. TUCKER: Up to the date of death.

Mr. HARKNESS: There is no discretion on the part of the department whether or not they pay the allowance. They must pay that to the dependents?

The CHAIRMAN: I am sure that is in the regulations. It is paid to them directly and it does not go into his estate where it would be liable for debts or anything as I recall the regulations.

The WITNESS: That is right. The dependants are fully protected.

Mr. LALONDE: Could I study the regulations and give you a reply a little later?

The CHAIRMAN: Yes. Mr. Melville knows exactly what is being done today under the regulations.

The WITNESS: The dependants are always provided for. The question may arise in the case of a single man if he has been boarding and has accumulated debts. The constant endeavour of the department and the commission is to pay all the debts—clear up everything possible out of the moneys available—and that does happen.

Mr. HARKNESS: Even if there is a balance left over for a single man without any dependents the department takes the rest of it, and it goes back to the treasury?

The WITNESS: Yes, that is the situation.

The CHAIRMAN: It never goes into the estate. It is used for the purposes of the purposes of the veteran and to fix things up for him, settle his debts and look after his dependents. Carried?

Carried.

Clause 5.

Mr. PHILPOTT: Concerning clause 5, I think it is the first time in this Act there has been any reference to adopted children as being on a par with other children. I think it must be a source of great satisfaction to people around this table many of whom I know, as I did, worked for a great many years to have this change made. I know it is not a very big thing in numbers, but I will never forget the thrill I got when I received a letter from one of my own constituents who happened to have a couple adopted children. He pointed out it was not the money involved, but just the fact that those children were now going to be on a par with his own natural born children. I think it is just another example that we do try honestly to improve the little things in this Act as time goes on.

Hon. MEMBERS: Hear, hear.

The CHAIRMAN: Would you like to comment on this, Mr. Melville?

The WITNESS: One added word which I hope the members will notice in the clause is that provision is made for a retroactive period of 12 months. We all know it takes a minimum period of 12 months before legal adoption papers are issued and the feeling behind this proviso is the fact that when we are able to render a favourable decision we send a substantial adjustment cheque to the veteran.

By Mr. Green:

Q. There is one point about this which bothers me. As I read the clause it does not cover the adopted child in the case where the child has been adopted before the veteran sustained the injury or disability. In other words, suppose a man had adopted a child before he was wounded. That adopted child is not covered by the clause and I do not understand why such a child should not be provided for. Surely the test is whether or not the child has been legally adopted and as Mr. Philpott has said I am sure we all thought that an adopted child would have the same rights as a natural child. However, as I read the section that is only true in the case where the adoption took place after the man was wounded or became ill. I may be wrong on that but you will notice in line 9 the following words: "...and a child adopted by him, subsequent to the appearance of such injury or disease..." I do not think there should be any such restriction in the Act because there is not in the case of a natural child. —A. I am glad to clarify the situation. Provision for children is found in section 26 of the Act, subsection 3 which makes this proviso:

(3) No pension shall be paid to or in respect of a child unless such child was acknowledged and maintained by a member of the forces in respect of whom a pension is claimed at the time of the appearance of the injury or disease that caused the disability for which he is pensioned or which resulted in his death; but a legitimate child born subsequent to the appearance of such injury or disease is entitled to a pension.

When the pensioner has in his home a child or children being maintained by him at the time of the appearance of the disability then pension is paid.

Q. But the only way to write this into the Act to carry out the wishes of everybody on this committee would be to define a child as including an adopted child under order of the court. Then you would have given the adopted child exactly the same rights as the natural child has all through the Pension Act.

Mr. BENNETT: Would that not cut out a child who was acknowledged and maintained by the pensioner prior to the appearance of the disease but who was not adopted?

Mr. GREEN: Under our law in British Columbia the adopted child has all the rights of a natural child and I agree that the adopted child should have been maintained in the home to qualify in the same way as a natural child, but by putting in this restriction—

Mr. BENNETT: But it is not a restriction as I understand it.

Mr. PHILPOTT: You have it wrong. It is an extension and not a restriction—the very opposite.

Mr. GREEN: If it is meant that way it should be made absolutely clear.

Mr. BENNETT: It is clear.

Mr. GREEN: I hope I am wrong.

Mr. PHILPOTT: It is clear to the lawyers anyway.

Mr. WESELAK: It is fully covered in the interpretation section of the Act.

Mr. GOODE: What about the child who is maintained by the pensioner, let us say, for two months before being granted a pension and is not legally adopted in law until 10 months after that date? What is the position of that child?

The WITNESS: May I be allowed to speak off the record and to explain the situation in camera?

The CHAIRMAN: Yes.

Mr. GREEN: It is the intention that children who were adopted prior to the appearance of the disability will be covered by the clause?

The WITNESS: Yes, they are covered now.

The CHAIRMAN: You will note, as has been pointed out by Mr. Weselak, in the interpretation clause "child" means a legitimate child of a member of the forces whether such child is born before or after the award of pension and "child" also includes step-child, adopted child, foster child or illegitimate child.

Mr. GREEN: Well, that would cover it.

The CHAIRMAN: Carried?

Carried.

Now, perhaps Mr. Melville will explain clause 6 on page 3.

The WITNESS: I think the explanatory notes, gentlemen, are very clear. The clause is repugnant to subsection (12) of section 26 of the Act which reads as follows:

(12) When pension is awardable under the provisions of this Act in respect of the death of a member of the forces who died leaving a widow and child or children, such child or children are entitled to a pension in accordance with the rate payable for orphan children in Schedule B.

Subclause 12 makes provision whereby all children must be paid orphan rates. That subclause is repugnant and we suggest it be removed.

The CHAIRMAN: Orphan rates are higher than ordinary rates?

The WITNESS: Yes, double.

The CHAIRMAN: Carried?

Carried.

Clause 7, "Extra allowance for total disability where attendant is required."

The WITNESS: That is beneficial, gentlemen. A member of the forces is on the strength of the department whether he is an "in" patient or an "out" patient has his pension supplemented by treatment allowances. The Act provides that helplessness allowance during treatment, shall not be paid except in the case of a blind pensioner. This amendment is purposely put in to provide for the man in hospital who reaches a certain stage and then may be discharged to his home. He is helpless within the meaning of the Act and may be retained by the department as an "out" patient because through their treatment facilities he will be visited in his home. He needs care and attention and the intention of this amendment is to make provision whereby we may pay on his behalf helplessness allowance, to the full extent if necessary, when he is an "out" patient on the strength of the department. It is a very beneficial recommendation.

The CHAIRMAN: Carried?

Carried.

Clause 8?

Mr. BENNETT: May we stand clause 8 Mr. Chairman, please?

Mr. QUELCH: What are you doing with clause 8?

The CHAIRMAN: Stand.

Clause 9, "Pension reduced during treatment."

The WITNESS: If you will look at the explanatory notes you will see that subclause 3 of the Act at the present time is being repealed. The present subsection reads: "Hospital allowance shall be paid from any appropriation granted by parliament for this purpose or from moneys provided by parliament for the payment of pensions under this Act."

As the money is provided for under another appropriation there is no need to have provision for it in the Pension Act.

By Mr. Green:

Q. Is this the provision whereby you take the \$15 from a 100 per cent pensioner?—A. It is a regulation of the department.

Q. Is that not the section which takes away the \$15?—A. No.

Q. The first subclause reads: "During such time as, under departmental regulations in that behalf, a pensioner is entitled to hospital allowance while an "in" patient under treatment from the department and his pension including the pension, if any, for his dependants, is greater than the hospital allowance awardable by the department, pension shall be reduced by an amount that will make such pension equal to the hospital allowance." That seems to me to be the way you reduce it.

The CHAIRMAN: Of course, what Mr. Green is pointing out is that the treatment allowances bring the amount up to the amount of the 100 per cent pensioner and the suggestion is that it is under this clause in the case of a 100 per cent pensioner the pension is reduced to the effective amount of the treatment allowance. Of course, as Mr. Melville points out, this is not being changed by this amendment, but what you are asking, Mr. Green, is that if it is under this clause this \$15 is deducted which the national council said had no legal basis.

Mr. GREEN: Yes.

The WITNESS: I am sorry I misunderstood you. I was speaking to subclause 3 which is being deleted.

Mr. GREEN: You did not answer my question really. Is this the authority under which the \$15 is deducted?

The WITNESS: Yes.

Mr. GOODE: One question comes to my mind. Mr. Melville brought up the fact that "out" patients could be under allowance. Is this \$15 deducted from one of those patients who could be living at home under treatment?

The WITNESS: No. When a man is transferred from "in" patient to "out" patient he receives the equivalent of 100 per cent pension, without deduction because he is providing his own maintenance.

Mr. HARKNESS: It seems to me section 33, subsection 1 which appears as clause 9 of this particular bill provides that if the pension that the veteran receives plus the pension for his dependants is greater than the treatment allowance, that is reduced to the amount of the treatment allowance. In other words, the pension paid on behalf of his dependants is reduced. It would appear from the wording here that would be the situation, whereas you said a short time ago that this deduction of \$15 had no effect on the amount paid to his dependants.

Mr. MELVILLE: No; no deduction is made from that to his dependants. The treatment allowance for the pensioner is subject to a deduction, but no deduction is made for his dependants.

Mr. HARKNESS: What is the meaning of this phrase in clause 9:

... while an in-patient under treatment from the department and his pension including the pension, if any, for his dependants, is greater than the treatment allowance awardable by the department, pension shall be reduced by an amount that will make such pension equal to the treatment allowance.

I can only read that as being a pension awarded on behalf of his dependants and that it is reduced just the same as a pension awarded to him is reduced.

Mr. MELVILLE: No. The regulations clearly set forth the provision for the pensioner, and shows the provision for a married man with no other dependant, that is for a man and wife, and for a man and wife and one child, a man and wife with two children, a man and wife with three children and so on, and in each case the deduction for hospital maintenance is the same.

Mr. HARKNESS: What is the reason for having the words "his pension including the pension, if any, for his dependants, . . ." in there?

The CHAIRMAN: It is included because for a man with dependants, as well as for a man without, the actual provision of the amount actually brings the amount up so that the effect of the regulation is as Mr. Melville has said.

Mr. HARKNESS: I still cannot see the reason for putting in "if any, for his dependants, . . ." because apparently under the regulations there is no deduction made in the pension given on behalf of his dependants.

The CHAIRMAN: Would you mind speaking to that, Mr. Lalonde.

Mr. LALONDE: I believe that it is perhaps a tricky bit of wording. But the answer is that if a man is a one hundred per cent pensioner he is not entitled to receive treatment allowance. This only takes care of a pensioner who is entitled to treatment allowance; so he must be a pensioner with a one hundred per cent pension.

Mr. QUELCH: I think they should reword that section because I think it is terribly confusing.

Mr. LALONDE: It is a difficult bit of drafting.

Mr. HARKNESS: Why is that business of a pension for the dependants put in?

Mr. LALONDE: Because there is a treatment allowance on behalf of the dependants as well as the pensioner. While the man is in hospital he is entitled to his treatment allowance, and in order to keep the books straight, the treatment allowance is based on a one hundred per cent pension and it is paid. The amount of the pension is reduced, but it brings it to the same total. It is just a question of accounting, and it only happens when he is entitled to receive treatment allowance.

Mr. GREEN: Is the treatment allowance the same for a single veteran as it is for a veteran with dependants? If the veteran with dependants gets a larger treatment allowance, I can understand it. That makes up the difference.

Mr. LALONDE: That is right.

The CHAIRMAN: If a person is on a fifty per cent pension, then his dependants get paid on that basis; but the moment he goes into hospital, they go on a one hundred per cent basis.

Mr. LALONDE: It is confusing. Let us say that the man goes into hospital and his pension is raised. That is not quite right. He is getting treatment allowance under another statute, but for the purpose of computing the treatment allowance we use the one hundred per cent pension as a basis.

Mr. GREEN: Does the man who has dependants get a higher treatment allowance than the man who does not?

Mr. LALONDE: That is correct.

Mr. GREEN: And he gets as much higher as the amount of the pension for his wife and himself?

Mr. LALONDE: In the end he gets the same amount, but the money comes out of a different appropriation.

Mr. PEARKES: And if the wife was a pensioner in her own right, it would not affect her?

Mr. LALONDE: It would not affect the pension paid to her.

The CHAIRMAN: Suppose the man is a fifty per cent pensioner and he goes into hospital; his wife gets paid on the basis of a fifty per cent entitlement, and when he goes into hospital he receives from the government an increase right away. Is that not right. Her receipts from the government—I do not care whether you call it pension or treatment allowance—increase.

Mr. LALONDE: I think Brigadier Melville could answer that, because whether a dependant who is already a pensioner would get the same amount of pension as the man who is not a pensioner, I do not know.

The WITNESS: The question, I take it, is this: a pensioner goes into hospital and his pension is supplemented by treatment allowances. He has a wife who is a member of the forces who is also in receipt of a pension. What happens to her pension? Her pension is compensation for a disability incurred during service and is not affected by her husband's going into hospital. Is that clear?

The CHAIRMAN: As I understand it, when he goes into the hospital and is a 50 per cent pensioner the money the wife would receive would be increased by receipt of his treatment allowance. Is that what you had in mind?

Mr. PEARKES: It seems to me that if the wife is a pensioner in her own right, that is she was a servicewoman, she does not get any increase in her pension because he goes into hospital, but is there any danger of her getting a decrease?

The WITNESS: No, she is compensated for a disability incurred in service. Her husband goes in hospital and she is his dependant. He is entitled to allowances on her behalf. She gets her pension, which is not affected by his receipt of the allowances.

Mr. HARKNESS: In revising this particular section, I would suggest Mr. Ollivier might bring in another wording which would make the clause clearer so there would not be any ambiguity or confusion about it.

The CHAIRMAN: This is working satisfactorily now and if we change it we might be taking something away from someone.

Mr. HARKNESS: I think the language of these Acts should be simple enough that it could be easily understood.

The CHAIRMAN: I guarantee if this were not working right we would have heard about it from the Legion. I think the experience in these clauses where they are paying out money is that if everyone is satisfied I do not think we should tamper with it. That is my opinion. Carried?

Carried.

We meet tomorrow then at the same time as this morning.

Mr. DICKEY: I was wondering how many members are going to Arnprior tomorrow on this national defence program?

Mr. QUELCH: The Banking and Commerce Committee sits three times tomorrow.

The CHAIRMAN: Is there any objection then to sitting this afternoon?

Mr. GREEN: We have things coming on in the House this afternoon.

Mr. BENNETT: Let us sit tonight.

The CHAIRMAN: Order, gentlemen. I understand that a large number of the committee, in view of the fact that we cannot sit tomorrow, would like to sit this afternoon at 3.30. I think when we are suspending for the sake of the convenience of the committee, a sitting which we were going to have tomorrow that we should take the consensus of opinion of the committee as to whether we should sit this afternoon.

Mr. GREEN: The steering committee recommended that we should sit each morning this week, and that was not questioned at all. The trip to Arnprior was known long before that time and we made our arrangements accordingly. I am staying away from Arnprior and I did not put down my name to go for the reason that we were to be sitting here. I do not see why the order of business should be changed now upon short notice simply to enable some of the members to go off to Arnprior for the day. I have no objection to their going, but this sort of thing makes it difficult to carry on the business before the committee, and some of us have commitments in the House this afternoon which we simply have to meet.

Mr. PHILPOTT: What about sitting tonight?

Mr. GREEN: I am afraid that the legislation will be continued tonight because the House is sitting tonight as well. I do not think there should be a snap decision without notice to change the date of our sittings simply because some of the members want to go off to Arnprior.

Mr. QUELCH: The Committee on Banking and Commerce will be sitting three times tomorrow.

Mr. GREEN: We made our plans and this is important business. We are getting on very nicely with it and I do not see why we should suddenly stop and change our plans upon short notice.

Mr. PHILPOTT: We could probably get a quorum.

Mr. BROOKS: I think we should stick to our original intention and have a meeting tomorrow morning.

Mr. BENNETT (*Grey North*): I think we should sit this afternoon.

Mr. GILLIS: How many of our members are members of the Committee on Banking and Commerce?

Mr. GOODE: I suggest we continue with our meeting tomorrow morning because, regardless of what we do, we are going to find some difficulty.

Mr. PEARKES: There was an alternative date given for this trip to Arnprior and if members did not want to go tomorrow they were given the option of going next Sunday.

The CHAIRMAN: Yes, but I think they finally decided to go tomorrow. Well, in view of what Mr. Green has said and in view of the fact that a lot of members of the committee want to get on with the work of the committee—it is quite true what he says, that the steering committee has tried to fix dates so that the members can make their plans accordingly—unless I am directed by the committee or unless there is a motion that we should sit this afternoon, I am going to rule that we will sit tomorrow unless there is a motion made that we do not. As to whether we will sit this afternoon instead we will not unless there is a motion made and carried that we do so. I will leave it to the committee if they want to make a motion.

Mr. JONES: Mr. Chairman, I move that we sit this afternoon.

The CHAIRMAN: It is moved that we sit this afternoon. All in favour of sitting this afternoon?

Mr. GREEN: If this kind of thing is to be done, if we are to be subjected to this kind of pressure in order that members can get away on a joy ride—

Mr. DICKEY: It is not a joy ride.

Mr. GREEN: Then I must call for a polled vote. If the business of the Committee on Veterans Affairs is to be sidetracked in order that members may go up to Arnprior, then let us know who stands for it. Some of us cannot be here this afternoon.

Mr. PHILPOTT: I will vote against the motion because I think it would be a mistake to put it through if it is not the general agreement of all parties.

The CHAIRMAN: Everybody can vote as he thinks right.

Mr. WESELAK: I do not think that the trip to Arnprior tomorrow should be called a joy ride. I myself come from a rural constituency and I have not seen any civil defence work. Therefore I want to see the work that is being done by the Civil Defence College and I do not think the trip should be termed or described as a joy ride.

Mr. HANNA: Mr. Chairman, I do not think it is fair to call this trip to Arnprior a joy ride. The Minister of National Health and Welfare arranged the trip two or three weeks ago. I served on the civil defence committee of the city of Edmonton for three years. The city of Edmonton and the province of Alberta are sending people down here to take these courses and I feel it is my duty to see this Civil Defence College. I also have a duty to perform in the committee here and I would like to serve on the committee this afternoon if the majority is agreeable to meeting this afternoon.

Mr. GREEN: If you want to go to Arnprior, then why try to force us to sit this afternoon?

Mr. HANNA: I am not trying to force anyone to sit this afternoon, Mr. Chairman.

Mr. HARKNESS: I think some members are forgetting that the primary duty of members is in the House of Commons and if a considerable number are going to be busy there this afternoon it does not seem to me quite fair at this late date to decide to hold a meeting this afternoon which is going to conflict with that.

Mr. DICKEY: Could we take up the V.L.A. on the understanding that if Mr. Green or some other members who cannot be here this afternoon have any objections those clauses will be stood.

Mr. BROOKS: I agree our meeting tomorrow has priority over this. I would like to go to Arnprior myself, but if the committee decides to have a meeting tomorrow I think we should follow it, otherwise we will have confusion right through.

The CHAIRMAN: Does anyone else want to speak to this question? As I understand it, the motion in effect is that we sit this afternoon instead of tomorrow morning.

Mr. DICKEY: As far as I am concerned, I think we should sit both this afternoon and tomorrow morning. That was not the motion, however.

The CHAIRMAN: That is correct. The motion as to sitting tomorrow morning has nothing to do with it and will have to be the subject of another motion.

Mr. GOODE: The members from British Columbia are here and you can sit either this afternoon or tomorrow. You can sit any time you wish.

Mr. GILLIS: I appreciate the point expressed by Mr. Weselak. It is a good thing to get around and see this defence set-up, but as far as I am concerned I would like to see this work finished up and I am quite willing to be here tomorrow morning and this afternoon if necessary.

The CHAIRMAN: As I understand it, Mr. Weselak was not opposing the motion to sit tomorrow, but was objecting to Mr. Green's reference to the Arnprior trip as a joy ride.

Mr. PEARKES: Is it proposed we sit this afternoon and tomorrow?

The CHAIRMAN: That will be decided after we settle this motion. It is moved by Mr. Jones that we sit this afternoon at 3.30, and Mr. Green, I understand it, desires a recorded vote on that.

Mr. GREEN: Yes.

The CHAIRMAN: We will now have a recorded vote.

The CLERK: Yes, fourteen; nays, seven.

Mr. DICKEY: Mr. Chairman, it is now 1.00 o'clock.

The CHAIRMAN: The understanding is then, in deference to the seven that voted nay, that we will "stand" anything that appears to be contentious. We will go through the Pensions Act and anything that somebody wishes to have stood will be stood; then we will go on with the V.L.A. Act and anything contentious in it will also be stood. That will happen. This afternoon we will meet in room 430. What about meeting tomorrow?

Mr. PEARKES: I move that we meet tomorrow as usual.

The CHAIRMAN: It is moved by Mr. Pearkes that we sit tomorrow at the same time as today. All those in favour of the motion please signify?

Carried.

We shall sit this afternoon at 3.30 p.m. and also tomorrow at the same time as today.

AFTERNOON SESSION

The CHAIRMAN: Order, gentlemen. Mr. Melville now has answers to the questions which he did not have this morning. He is prepared now to give them to the committee.

Mr. J. L. Melville, Chairman, Canadian Pension Commission, recalled:

The WITNESS: Mr. Chairman, four of Mr. Green's questions remained unanswered this morning. The information was not available. Some members of my staff have been working until 11 o'clock every night since Friday in an endeavour to assist this committee and let you have all the statistics that might be made available. These are the last four questions.

Question 11. How many applications were received by the commission for additional retroactivation under section 31(2) and how many were granted?

Any figures which I am giving refer to individual cases. The pensions may have applied two, three or four times, but I am giving figures for individuals.

Answer: World War I—The commission received 32 applications; 10 granted; 22 not granted.

World War II—The commission received 377 applications; 133 granted; 244 not granted.

Question 12. How many applications were received by the commission for additional retroactivation under 42(2) and how many were granted?

Answer: World War I—The commission received 1 application; it was granted.

World War II—The commission received 7 applications; 3 granted; 4 not granted.

Question 13. How many applications were received for retroactivation under section 31(2) and how many were granted?

Answer: The commission received 77 applications; 10 granted; 67 not granted.

Question 14. How many applications were received for retroactivation under section 42(3) and how many were granted?

Answer: The commission received 1 application; it was granted.

These answers are for the five-year period which was covered by the inquiry received from Mr. Green, and that has involved a review of over 500 files, and so far as the commission is aware at this stage we have examined all known cases. That is the situation.

The CHAIRMAN: Now, the next clause, gentlemen, is clause 10.

Mr. BENNETT: Could we stand clauses 10, 11, 12 and 13, and also 18?

The CHAIRMAN: You will probably be able to make a statement on them at the meeting tomorrow. Will you be there?

Mr. BENNETT: I think a statement can be made tomorrow.

Mr. BROOKS: Could we have clause 16 stand as well?

The CHAIRMAN: Now we are standing clauses 10, 11, 12, 13 and 16.

Mr. BENNETT: Yes. They all involve the same point, Mr. Chairman.

The CHAIRMAN: Yes, and 18.

Mr. CROLL: 18 is the same thing again.

The CHAIRMAN: Yes. Those are the date lines. That leaves clause 14. Do you wish to deal with it. It seems to me that the National Council wanted the wording changed in that for some reason, from clause 1 to 11. Do you remember that submission?

The WITNESS: Yes. I think it was in a departmental regulation, according to Mr. Justice McDonough. He said that to me afterwards.

The CHAIRMAN: Would you just explain that to the committee, please?

The WITNESS: Clause 14 of the bill. If you will look at the explanatory note, you will see that all that is involved is the deletion of the words "but if the payments under subsection 8 of section 26 exceed the amount payable under this section, that subsection applies in lieu of this section."

And the note goes on to say:

The proviso is redundant as the children of such deceased pensioners are automatically entitled to pension under the provisions of section 26(7).

It is just a tidying up of the Act.

The CHAIRMAN: Does the section carry?

Carried.

Section 15 "cancellation of pension of female pensioners in certain cases".

Mr. CROLL: What is clause 13, Mr. Melville?

The WITNESS: Section 13 is the entitlement section, the section of the Act through which all entitlement flows; it used to be section 11.

There is one correction to be made in this section. The explanatory note again is there and I will not read the section as it is today because it refers to a certain state of affairs. The explanatory note says:

There is no provision in the Act by which a disability pension awarded to a male member of the forces is affected by circumstances similar to those set out in this section and the purpose of the amendment is to ensure that female disability pensioners are placed in the same position as male pensioners.

I think that explains the situation, but I would ask, Mr. Chairman, to correct an error in the bill which is:

"The pension of any female pensioner . . ."; 13-1 (a), that probably was your point, Mr. Croll?

Mr. CROLL: Yes.

Mr. BALCOM: There is no provision for a man in the same case as a woman, is there, Mr. Chairman?

Mr. MUTCH: He is out.

The WITNESS: It does not affect him.

Mr. QUELCH: Those words in respect to a pension in 13 mean in respect of cases where the female is obtaining a pension for a disability under 1 (a)?

The WITNESS: That is quite correct, and the other is under different circumstances altogether.

Mr. HARKNESS: It only removes the present discrimination which exists.

The WITNESS: That is right.

The CHAIRMAN: It suggests that it should be 13-1 (a).

Dr. OLLIVIER: It should be paragraph (e) of subsection 1 of section 13.

Mr. QUELCH: Mr. Chairman, I would like to obtain some information on a certain point, and it relates to "being married who openly lives in the relationship of man and wife without being married maybe suspended". Are there any exceptions to that? I have in mind the case of men who went overseas, married, and came back to Canada without their wives, and the wife then got a divorce. So far as she is concerned she is no longer his wife, but under the Canadian law he is still married. What has happened to that? A committee was set up some years ago to deal with that, and I do not think they got very far. Is the situation still that that Canadian can get married or have a common law wife?

The WITNESS: The situation there is that the wife in England obtained release through the Matrimonial Causes Act which applied during the war and she has obtained relief, and is free to do what she likes. Our Canadian veteran returns to Canada and in some instances has married. The commission, however, I must say makes a careful and systematic review in these cases, but we cannot flout the law. The advice we have from the Department of Justice is that it is not an acceptable divorce; is not a subsisting marriage. But, in some cases where we are definitely of the opinion that the case warrants relief, we have extended companion under section 25 and we have paid additional pension.

Mr. NESBITT: Under that same section, as I remember it, there are many cases in this country of people obtaining divorces in the United States. I think it might help the wording of the section to say: "Who openly lives with any man in the relationship of man and wife without having gone through a form of marriage", rather than: "Without being married to him."

Mr. CROLL: Then you are really in trouble.

The WITNESS: The section that is before you, gentlemen, establishes equal status for a male disability pensioner and a female disability pensioner. That is what is before you in this amendment.

Mr. PHILPOTT: Equal right to do wrong.

The CHAIRMAN: If you change that to 13 1 (a) you are eliminating such things as section 5 which provides for Newfoundland.

The WITNESS: No.

The CHAIRMAN: Well, if you introduce 1 (a) into the thing, then it only applies in the case of a person eligible under 1 (a) and then for example these other clauses which are in section 13 would not apply. Now, there is, for example, the date for which the pension may be paid; that is subsection 3. And then, subsection 5 has to do with Newfoundland. Then, 6 gives the right in Newfoundland; and 7. Why do you want to introduce 1 (a) into that?

The WITNESS: I will use the term I have heard more than once that the old sections 11(1) (a) and (b) are the portals through which all claims for pensions come. Now claims for disability pension all come through 13(1) (a) and death claims through 13(1) (b), and the other benefits in the section may follow.

Mr. CROLL: That is the interpretation.

The CHAIRMAN: I do not think it does follow. A member of the forces is defined as a member of the Canadian forces and if you say it only applies to a member of the Canadian forces and say that this right of a woman to a pension only applies under 1 A—it will only apply to a person serving in the Canadian forces, whereas the man who served in the forces of Newfoundland is entitled to a pension, but a woman serving in Newfoundland would not be entitled to a pension. I suggest that if you introduce (1) (a) into this thing you are going to exclude this provision in (c) of pre-enlistment disabilities. You are going to exclude them from the provision with respect to pensions serving in the forces in Newfoundland, and you are going to eliminate the cases—if there were any—of British subjects domiciled in Newfoundland. Those are subsections 5, 6 and 7 of section 13.

Mr. BROOKS: I think that numbers five and six and seven would make anyone domiciled in Newfoundland a member of the forces as set out in subclause 1(a) so I think that would cover it all right.

The WITNESS: Quite correct.

Mr. CROLL: I think the governing clauses are 1(a) and (b) and the others are limiting clauses.

The WITNESS: There is no doubt about it.

The CHAIRMAN: I do not want to take a lot of time on it, but if you are awarding a pension to a woman who served in the forces of Newfoundland you are not awarding it under clause 13-1(a) but under clause 13-1(a) and also under 5 and 6.

Mr. HARKNESS: I think clause 13-1(a) only applies to people who served in the Canadian forces and to bring in the Newfoundland people the other clauses are added and I agree if you do not mention them in this they will be excluded.

The CHAIRMAN: You cannot award Newfoundlanders a pension under clause 13-1(a) alone, but have to award it under clause 13-1(a) and clause 13, subclause 5 and 6.

Mr. BROOKS: The purpose of this is to put the Newfoundlanders under clause 13-1(a) as members of the forces and so I think subclause 1(a) covers it.

The CHAIRMAN: If the committee are satisfied will someone move an amendment? I am quite satisfied myself that you cannot award a pension under clause 13-1(a) alone and that you have to apply clause 13, subclauses 5 and 6 but I will not press my view.

Mr. QUELCH: Could you not say clause 13 and leave it at that? That would cover it.

Mr. ENFIELD: You could perhaps get around this by carrying on the amendment, "Except a pension awarded in accordance with rates set out in schedule 'A', et cetera. That is, change the amendment as you have it to read: "As in subclauses (a) and (b) of clause 13."

Mr. MUTCH: You will notice in section 44, subsection 1, we are dealing with the pension of any female pensioner, but not with the question of entitlement to pension at all. The person who is affected by this proposed amendment is already a female pensioner and in the Act as it stands at present the female pensioner, whether she gets her pension by right of service or because she is a dependent of someone who has pension by right of service, is barred from certain performance of conduct. That creates a difference between the limitations which are put upon a male pensioner and the limitations put upon a female pensioner. Now, the intention of this amendment is that because a male pensioner may not be barred from his pension because of an irregular union with another woman then a female pensioner shall not be barred from her pension which she has obtained by right of service because of an irregular union. It is a straight attempt to remove the discrimination for moral purposes according to sex, and it has not relationship, I submit, to entitlement. It has no bearing until the female in question is already a pensioner. I hope that makes the position clear and consequently, because it was desired that unless a female pensioner erred, her pension by right of her service should be granted. That is the additional equalization with males. It must be limited to 13-1 (a) which is the code by which the female pensioner holds her entitlement to pension. Otherwise if you leave it as Mr. Quelch suggested, to section 13, then all the females who are obtaining pension by virtue of the fact that they were dependent on either a male or a female pensioner, would be entitled to a pension in a similar fashion without the penalty which has always been in the Act.

Mr. WESELAK: The effect of 13-6 and 7 is to make this group you are referring to, that they shall be made members of the forces for this section, while these people are brought within the ambit of 13-1 (e) and in the amendment it refers to 13-1 (a) so I do not think that anything further is required.

Mr. NESBITT: The purpose of this amendment is to have the equal right to do wrong; but in the question of an American divorce, it is a question of domicile whether the divorce is valid, and if there has been no ruling of any court whether the divorce is valid, if a man lives with a woman, who decides whether they are married or not?

The WITNESS: The commission must determine the right to additional pension on behalf of the wife. To decide whether or not the right to additional pension is established. To do so we have to examine the particulars regarding the marriage.

Mr. NESBITT: It is an arbitrary ruling by the commission?

The WITNESS: It is a decision by the commission.

The CHAIRMAN: I would like to point out that subsection 7 refers to people being pensionable by virtue of subsections 5 and 6. You are only applying it to people who are pensionable by virtue of subsection 1 which says, right

in the Act, that certain persons are pensionable by virtue of subsections 5 and 6. I do not insist on it but I would not have any doubt in my mind that on a strict interpretation of this thing you are leaving out people who are pensionable by 5 and 6.

Mr. BROOKS: That makes up a member of the forces in section 1 (a).

The WITNESS: I will be glad to examine this with the Department of Justice.

Mr. CROLL: I move the adoption of the clause with a slight amendment; clause 13-1 (a), which Doctor Ollivier has given to you.

Dr. OLLIVIER: As I read it, 1-a is sufficient.

Mr. CROLL: Yes.

The CHAIRMAN: If there is any doubt about it—this bill is not going to be reported right away—it could be brought up again. It is moved that section 15 be amended by inserting 1 (a) after section 13 in line 15. Does the amendment carry?

Carried.

Does the section as amended carry?

Carried.

Clause 16 stands; clause 17 “increase of certain pensions while recipients resident in Canada”.

17. Section 56 of the said Act is repealed and the following substituted therefor:

56. Pensions payable to or in respect of members of Canadian naval or army forces who were killed, had died or were disabled on active service, during drill or training or on other military duty previous to the outbreak of World War I, shall, during the continuance of the residence in Canada of the recipients of such pensions, be paid at the rates set forth in Schedules A and B.

The WITNESS: Clause 17 is very simple. That section has been in the Act since its origin in 1919 and refers to “the war”. There was only one war then and this needs a bit of housecleaning because we now have a second war. So to correct the situation, the word “war” is changed in substitution therefor and world war, because the section refers to a group of former members of the forces who were in training before world war one.

Mr. HARKNESS: This would apply to veterans of the Boer war, would it not?

The WITNESS: No. Such veterans of the Boer war are the responsibility of Her Majesty's government and the pensions paid on account of disability or death are supplemented by Canadian rates shown under another section of the Act, section 54.

The CHAIRMAN: Shall the clause carry?

Carried.

Now the next clause, 18, stands. Now, clause 19?

19. Schedule B to the said Act is amended by striking out the words “or the child of a widow in receipt of a pension under section thirteen” where they occur in the fifth column thereof.

The WITNESS: In chapter 207 of the revised statutes there is an error and I take this opportunity to correct it while Dr. Ollivier is present.

We are deleting the words in the last column and if you will look at the explanatory note you will see that it says:

The words or the child of a widow in receipt of a pension under section eleven are deleted from the fifth column as the rate of pension for such children is fixed by section 26(12).

It should be 11. If you follow what is in chapter 207 at the moment you will see that this is a misprint.

Mr. CROLL: What should it be? My own copy reads section 11?

The WITNESS: It should be 11 because there is a misprint in the revised statute.

Mr. CROLL: It is just a correction. I move the adoption of the clause.

The CHAIRMAN: Shall the clause carry?

Carried.

Do you wish this amended as it is in the bill? If you will look at schedule "B" it says: "orphan child or orphan brother or sister or the child of a widow in receipt of a pension under section 13".

In the schedule it should be changed to 11 which is in the actual wording of the bill. Naturally when we are referring to that item in the schedule it should refer to it under section 11 where it occurs in the fifth column of Schedule "B". Do you move, Mr. Croll, that Schedule "B" be revised by 11 on line 15 in section 19?

Mr. BROOKS: It in no way affects the amount set out here.

The WITNESS: No.

The CHAIRMAN: And also in schedule "b" where it sets out in explanation that that be changed from 13 to 11. Shall the amendment carry?

Agreed.

Is the clause as amended agreed to?

Agreed.

The CHAIRMAN: Now, that completes the pension bill except for the clauses which were permitted to stand.

We are going to start to go through the Veterans Land Act, which is bill 459. Brigadier Rutheford is here. There was a slight error in one of his answers which he wishes to correct to make sure that the record is right. Then we will start with bill 459.

Mr. RUTHERFORD: I am afraid my mental arithmetic was not too good when I was calculating the percentage of veterans who had abandoned provincial lands in the province of Quebec. Looking at the figures it looked to be approximately 24% but I should have said 19%. That is a correction I wish to make in the record. I asked permission last week that Mr. McCracken who has dealt with the Department of Justice with respect to the amendments and is more familiar with the details might be permitted to answer any technical questions with regard to the amendments proper.

The CHAIRMAN: Very well. We have before us now bill 459 "an Act to amend the Veterans' Land Act". I now call clause 1; that indicates the heading of part 1, "Land Settlement Assistance"?

Carried.

Clause 2—and I will take it up clause by clause by reading the side notes. Clause 2 indicating section 45 of the proposed Veterans Land Act, "definitions. Approved lender."?

45. In this Part,

(a) "approved lender" means any lender approved by the Governor in Council for the purpose of making loans under the *National Housing Act, 1954*;

Mr. HARKNESS: I thought when we discussed this before that Mr. Croll brought up a point that the only lender would be the Central Mortgage and Housing Corporation, but under this "approved lender" it could be any of the mortgage or insurance companies as well as Central Mortgage and Housing Corporation. That is the intention is it not? That is what will happen?

Mr. RUTHERFORD: Yes, that is what will happen.

Mr. HARKNESS: So the impression we got before was incorrect?

Mr. CROLL: No. What I said before was that under present circumstances the only authority that could possibly take the mortgage would be Central Mortgage and Housing Corporation because of the time-lag and the many advances. At a later time these mortgages may be turned over to some other lending authority; but for the moment only they could handle them.

Mr. RUTHERFORD: That is right.

Mr. HARKNESS: As I understand it at the moment Central Mortgage and Housing Corporation would be the only people who could make those loans. But at some time in the future insurance companies and so on will be able to make them.

Mr. CROLL: It is quite possible.

Mr. MCCracken: I think that Central Mortgage and Housing Corporation in each and every case will give the required commitment. As time goes on, and depending on the availability of mortgage funds, I think at that time they would attempt to interest mortgage companies or other interests in purchasing these mortgages. But C.M.H.C. will be carrying them right from the beginning in each and every case.

Mr. BROOKS: The same regulations would apply afterwards that apply when they take them over?

Mr. MCCracken: I would say so.

The CHAIRMAN: Carried.

Subsection (b) "Corporation"?

Carried.

Subsection (c) "cost to the director"?

Carried.

Subsection (d) "Eligible veteran"?

Carried.

Subsection (e) "Improvements"?

Carried.

Subsection (f) "Mortgage"?

Carried.

Clause 46, "Persons eligible"?

"46. Subject to this Part, and notwithstanding anything in Part I or any other Act of the Parliament of Canada, every veteran is eligible to participate in the benefits of this Part, except

- (a) a veteran who has entered into a contract with the Director under section 10 subsection (9) of section 11 or section 23 or has received a grant from the Director under section 38 or 39, which contract or the agreement relating to which grant

- (i) has not been rescinded or otherwise terminated,

- (ii) was not rescinded or otherwise terminated until after the expiration of the ten year period referred to in subsection (4) of section 10 or, in the case of the agreement relating to the grant, until after the expiration of the period after which, under the agreement, he is not required to repay such grant,
- (iii) was rescinded or otherwise terminated prior to the expiration of the period applicable, as mentioned in subparagraph (ii), otherwise than due to circumstances beyond the control of the veteran, as defined in the regulations, or
- (iv) was rescinded or otherwise terminated prior to the expiration of the period applicable, as mentioned in subparagraph (ii), due to circumstances beyond the control of the veteran, as defined in the regulations, unless, in any such case, the veteran repays to the Director for deposit in the Consolidated Revenue Fund any amount by which the value of the benefit received by him by virtue of having entered into the contract or the agreement relating to the grant, as determined by the Minister, exceeded his re-establishment credit under the *War Service Grants Act*, together with interest on that amount at the rate of three and one half per cent per annum from the date of such rescission or termination;
- (b) a veteran to whom an allowance has been paid under the *Veterans Rehabilitation Act*, for the purpose of taking an undergraduate or postgraduate course at a university as defined in that Act, for a period of more than nine months; and
- (c) a veteran who is indebted to the Director under section 15.

Mr. BROOKS: Might we have some explanation of the clause?

Mr. McCracken: Dealing with clause 1 of paragraph (a) it means that the provisions of part II are not available to a veteran who is already settled under the Act and who has a subsisting contract with the director.

Clause 2 of paragraph (a) means that the provisions of part II are not available to veterans who received financial assistance under part I and who, after ten years, earned the conditional grant.

Clause 3 of paragraph (a) means that the provisions of part II are available to veterans whose settlement under part I was terminated before the end of the ten year conditional grant period if termination was due to reasons beyond their control rather than, say, in order to make a speculative sale.

Mr. HARKNESS: I noticed that this clause appears quite frequently "otherwise due to circumstances beyond the control of the veterans". Could you give us an example?

Mr. McCracken: "Circumstances" must be approved by the governor in council by regulation but I suggest that possibly one would be that assistance would not again be available where the man had sold the property for speculative reasons.

Mr. BROOKS: Can he sell for speculative reasons?

Mr. McCracken: I suggest that that is where he may repay the cost to the director and take the title to the property.

Mr. BROOKS: After ten years?

Mr. McCracken: No. before, and then sell the property because he has the opportunity of making quite a big profit.

Mr. BURNS: The usual case in which the second establishment is granted under section 9 of the first clause of the Act, when a veteran applied to move

by reason of his employment being shifted to some other place, or his employer requires him to work in some other place, in the case of a small holder, or on account of family reasons, and in regard to a farmer, actually, when circumstances developed such as his farm being burned up, obliging him to stop farming and they cannot go on again in the same place. Those are the examples of circumstances beyond their control.

Mr. BENNETT: Of if the land were expropriated?

Mr. HARKNESS: That particular phrase, where it occurs, it would be the same throughout. Those would be the circumstances?

Mr. BURNS: Yes, it was intended to be, let us say, for a young farmer who had failed and had to leave the farm, so that he could qualify.

Mr. McCracken: Yes, he would come under part II. I was down to clause 4.

Mr. BROOKS: Are we discussing home construction assistance?

Mr. McCracken: The home construction end of it.

Mr. BROOKS: The farmers would not come under that at all?

Mr. McCracken: Mr. Harkness raised the point on one of the reasons which General Burns gave, that it would apply not only here but where it is used in part III as well.

Mr. WESELAKE: A young farmer might have to leave his farm for reasons of health and he is now employed in the city. He may be interested.

Mr. McCracken: They would be people who would come under part II. May I now go on to clause 4? Clause (iv) of paragraph (a) relates to a veteran whose settlement under part I was terminated before the end of the ten-year conditional grant period for reasons beyond his control and, subsequent to which, the Director suffered a loss in resale of the property. The provisions of part II are available to such a veteran provided he repays to the Director, with interest, the difference by which that part of the loss that was determined by the minister to have been a benefit exceeds the amount of his re-establishment credit.

Mr. HARKNESS: Could you give us an example of how that would work out? I feel there is a desire to question these things on that basis.

Mr. McCracken: Let us assume that the property came back to the director in that the veteran had to give it up. There is an outstanding cost to the director at the time we will say of \$4,000. In the resale of that property by the director, the saleprice was \$3,000. In other words, the director suffered a loss of \$1,000.

Under section 13, I think, of the War Service Grants Act, the minister determines what benefit the veteran may have had under the Veterans' Land Act, and in relation thereto he considers any extenuating circumstances; and perhaps he would determine that the benefit which the veteran had received in that particular case was the loss of \$1,000. If the veteran's re-establishment credit had amounted to \$500, then, under part II he would have to repay the director the difference between the credit and the loss, the \$500 plus interest.

The CHAIRMAN: Just to make it plain, as I read part II, if a veteran under Part I completes his contract and gets his grant he then can come in and qualify under Part II, is that right.

Mr. McCracken: If a veteran gets his grant under Part I?

The CHAIRMAN: Yes.

Mr. McCracken: No, he cannot come under Part II.

The CHAIRMAN: Here is what it says: "Every veteran is eligible except—"

Mr. McCracken: Except two.

The CHAIRMAN: "—a veteran who has entered into a contract which contract was not rescinded or terminated until after the expiration of the ten-year period." Now then—

Mr. McCracken: By which time he would have earned his conditional grant.

The CHAIRMAN: Yes. In other words, as I read that, every veteran is eligible to participate except a veteran who has entered into a contract which contract was not rescinded before the expiration of ten years.

If it was actually carried out, it would not be rescinded at all, so that as I understand it, he would be qualified. You see, it says: "A veteran who has entered into a contract relating to which a grant has not been rescinded." Now, they are all referring to a case of rescision of the contract, but suppose he lives up to it and gets his grant?

Mr. McCracken: As I recall it, we have had an opinion from the Department of Justice to the effect that the words "otherwise terminated" applied or meant or covered the situation where the veteran came in and paid up the director and took title to the property.

The CHAIRMAN: If that is your opinion it is O.K. with me, but I do not think it says that. When you carry out your contract you have not terminated it, you have fulfilled it. There is no doubt in my mind but that would be the legal interpretation but if the Department of Justice has given that opinion it is O.K. with me.

Mr. McCracken: We had a case of a veteran in British Columbia who repaid the director in full and took title to the property and the Department of Justice gave us an opinion that the effect of that came within the meaning of the words "otherwise terminated."

The CHAIRMAN: But suppose he lives up to his contract, and the government carries it out in full, and he carries it out in full. Can you say that that agreement was "otherwise rescinded or terminated"?

Mr. McCracken: The effect of that, I would say, is the same as a man going through 25 years.

The CHAIRMAN: As long as everybody is satisfied! Does that carry?

Carried.

Mr. Dinsdale: Could I ask a question about part (b) on page 3, Mr. Chairman.

The CHAIRMAN: Yes, we carried (a) and now you want to ask a question on (b).

Mr. Dinsdale: We are coming to that clause now?

The CHAIRMAN: Yes.

Mr. Dinsdale: Fine. I take it that (b) which says: "A veteran to whom an allowance has been paid under the Veterans Rehabilitation Act for the purpose of taking an undergraduate or postgraduate course at a university as defined in that Act for a period of more than 9 months;"—I take it that veterans who have taken university courses, etc., cannot get any benefits under this part?

Mr. McCracken: If they have taken university training or allowance in excess of nine months. It is much the same as the provision for eligibility under the Veterans' Land Act at this time. A man who has taken up to nine months training is eligible for assistance under the Veterans' Land Act at the present time if he repays the cost of that training. Under Part II he doesn't have to repay it.

Mr. Dinsdale: So that a veteran in that position would not be able to participate in one of these build-your-own schemes?

Mr. McCracken: Not if he has taken over nine months university training.

Mr. Dinsdale: That is going to eliminate quite a large number.

Mr. Croll: Have they ever been eligible?

Mr. McCracken: No, they have not.

Mr. Dinsdale: Apparently the purpose of this Act is to facilitate home construction for the veteran. It is a housing Act. I do not know what the percentage of veterans taking university work might be, but I know from my own personal knowledge there is a large number who are in the category of requiring housing, and because of the expense involved in university work they have not been able to meet that basic need, and are excluded entirely in this Act according to that interpretation?

The Chairman: I suppose it is felt that if a man were provided with a university course—maybe four years at university—would not be entitled to go and get further help in regard to establishing a home for himself such as is given under this Act. In other words, it is putting a limit on what you can do for one specific class.

Mr. Croll: A choice, isn't it?

The Chairman: I think we are doing very much for the people who take university courses as compared to the others.

Mr. Brooks: As I understand it, under this Act it has to be a revolving fund. Now, under the Farm Establishment Act it is different altogether. They give them so much money outright. The object of this is to enable veterans to provide homes for themselves. Surely if a borrower has taken a college course he is not going to be in as hard a financial position as the fellow who has been working.

Mr. Dinsdale: He has exhausted his personal fortune in going to university.

Mr. Brooks: I do not think the government stands to lose anything by this at all and it is an opportunity to help the college graduate and others to build homes.

The Chairman: On each one of these cases the government would spend the interest on the money they are advancing and then there are the legal costs, so V.L.A. are going to assist a veteran under this Act to the extent of \$400 or \$500, and the question arises when you give to the great bulk of veterans a re-establishment credit of say \$350 or \$400 or whatever it would be—and in the case of the Korean veterans the average is \$170 some odd—at the same time give to a university graduate a course that may be worth thousands of dollars. Should we then say that on top of that we will give assistance under this Act to the extent of another \$300 or \$400 or \$500, the question is: how far are you going to go in regard to that small group for whom so much has already been done by way of public expenditure compared with a larger group to whom you have given much less? I take it that is the reason for it.

Mr. Brooks: What would be the length of time the money would be loaned to these people for the building of their homes?

Mr. McCracken: 14 to 16 months.

Mr. Brooks: It would be that long?

Mr. McCracken: Yes.

Mr. Brooks: And it would be without interest so far as the government is concerned for that period of time?

Mr. McCracken: Yes.

Mr. Brooks: And the average amount would be about \$6,000 would it?

Mr. MCCracken: No, the maximum, sir, is \$8,000.

Mr. DINSdale: Could anyone with us this afternoon indicate what percentage of veterans took university work that would disqualify them?

Mr. BURNS: If I might answer that question, I understand there are about 50,000 veterans who took university training to the extent of disqualifying them—that would be roughly 5 per cent.

Mr. BROOKS: The whole 50,000, of course, would not want to build houses under this Act if it were available to them?

Mr. BURNS: About 5 per cent.

Mr. HARKNESS: I take it then those veterans who receive benefits under the university training scheme are excluded?

Mr. RUTHERFORD: Conditional grants are still available to them.

Mr. HARKNESS: I understood you could not take conditional grants?

Mr. RUTHERFORD: I mean re-establishment credits, I am sorry.

Mr. HARKNESS: This has no effect on re-establishment credits?

Mr. RUTHERFORD: None at all.

Mr. HARKNESS: It is just the two classes of people who receive benefits in either one of these two ways.

Mr. RUTHERFORD: That is correct.

Mr. CROLL: General Burns, have you any idea what the average cost is of one of these college courses?

Mr. BURNS: I do not have that information immediately available, but I can get it in due course. It costs roughly \$1,000 a year and most of them require four years to graduate.

Mr. CROLL: That is not treating them very unfairly.

The CHAIRMAN: The answer probably is not exactly complete. As I understand the bill there are people excluded besides those who get the grant and people who get the university training beyond nine months, and those people who have entered into a contract under Part I of the Act and whose contract has been rescinded due to circumstances which are not beyond the control of the veteran. In other words, if he goes under Part I, even although he does not get the grant and then perhaps throws the thing up and refuses to continue although he could well do so, I take it he would not be entitled either.

Mr. RUTHERFORD: That is right.

The CHAIRMAN: So you would have to add to the class of those who get the grant and the university training, the people who went under Part I and whose contract was rescinded due to circumstances for which they were themselves responsible?

Mr. RUTHERFORD: Yes.

The CHAIRMAN: Carried?

Carried.

Clause 15 is the mortgage clause, gentlemen.

Mr. CROLL: What does it say, Mr. Chairman?

The CHAIRMAN: It is provision for a mortgage where the veteran borrowing at 3½ per cent cannot go under this part.

Carried?

Carried.

Clause 47.

Mr. McCracken:

47. This section establishes the principle requirements which an eligible veteran must meet in order to obtain assistance under Part II. This is the section, also, that authorizes the Director to provide veterans with financial and supervision assistance; to conduct training courses for prospective veteran builders; and to purchase and subdivide land, etc.

(1) The provisions of this subsection are key points to the operation of Part II. Firstly, an eligible veteran, in order to obtain assistance, must be approved for a loan under the National Housing Act thereby assuring the Director that he will be reimbursed for his expenditures upon completion of the building contract. Secondly, the Director must be satisfied that the veteran is competent and in a position to act as his own contractor. Thirdly, it authorizes the Director to provide a veteran with supervisory and other assistance during construction.

The CHAIRMAN: Agreed?

Mr. Brooks: Are there any salary requirements for veterans coming under this clause?

Mr. McCracken: To the extent required to obtain an approved loan under the National Housing Act.

Mr. Brooks: What would be the amount?

Mr. McCracken: For a \$8,000 house—assuming taxes are \$180 to \$200—I think it is about \$3,300 a year annual income.

Mr. Brooks: About \$500 less than under the present National Housing Act? I do not mean the Veterans Housing Act, but the National Housing Act we put through.

Mr. Croll: It is the same thing.

Mr. McCracken: That was based on \$10,000, Mr. Brooks, was it not?

Mr. Croll: Mr. McCracken, while we are at it, in view of the success that all of us feel that the Veterans Land Act has attained, has any consideration been given by Veterans Land Act administrators and other people who are in charge to the possibility of doing away with the down payment for these veterans? Now, you may think that is a very broad field, but the original veterans legislation was the pilot plan for our present 10 per cent down payment. When we found it worked out well with the veterans, we went to defence housing with it. This is, of course, a better picture than we had ever anticipated and I am encouraged to suggest to you, Mr. Rutherford, and to the parliamentary assistant, as well as to the chairman and the others who are connected with it, that the matter should be thoroughly canvassed. This is an opportunity for us to give the veterans something which perhaps may not be presently available to the civilian; to do away with the down payment and start out by paying the monthly payment rather than having any down payment by way of credit or otherwise. Has any thought been given to that?

Mr. Rutherford: We are required under the law when entering into a contract to have a deposit of 10 per cent as security, and the down payment is used for both purposes. You have to have some payment of that nature originally as security for the contract anyway.

Mr. Croll: Originally you had a revolving fund?

Mr. Rutherford: For what purpose?

Mr. Croll: For veterans land purposes. Before you came to the Housing Act you had funds available from your department, did you not?

Mr. McCracken: Annual appropriations.

Mr. Croll: Annual appropriations from the government which you used up for that purpose.

Mr. McCracken: Within \$43 last year.

Mr. CROLL: You are not asking for that appropriation this year?

Mr. McCracken: Yes.

Mr. CROLL: But not for the housing portion of it?

Mr. McCracken: No.

Mr. CROLL: The suggestion I am making is for the housing aspect of it and I would suggest you canvass the possibilities of selling to the veterans without a down payment. What thought, if any, has been given to that subject?

Mr. BENNETT: I would like to make one comment regarding the comparing of the benefits under Part II with the ordinary National Housing Act mortgage. Under this Act we have a home assistance program. The veteran comes along with \$800 and let us say he wants to put up a \$10,000 house. Well, he gets \$2,000 of his \$10,000 which is calculated to be his own labour, and with the help, assistance, supervision and the blueprints supplied by the department he is able to put up a \$10,000 house and is only required to have a \$8,000 mortgage, so that the 23 per cent is based on the \$8,000 rather than the \$10,000. Now, in answer to your question, Mr. Croll, of course a great deal of consideration was given to this, and once again I have to say that this is a home building program rather than a rehabilitation measure. Benefits were given under Part I including the conditional grant. Veterans have been given their re-establishment credits and have been helped with educational measures under the Veterans Rehabilitation Act. I think most people agree we have gone quite a long way for the veteran and under Part II we are giving the veterans who are eligible another \$400 or \$500. The only disadvantage, aside from the cost, of your proposal, Mr. Croll, would be that if we allowed a veteran to enter into a contract with the director without any down payment or any stake in the property, I think there would be a tendency towards creating a situation where more contracts would be abandoned by the veterans and we would be left with a lot of properties on our hands.

Mr. CROLL: Let me just be quite clear on this. There is no special advantage in addition to what has already been given to the veteran? What brought this matter to my attention and the reason I thought the department should give consideration to it is that just such terms are available to the American veterans by way of a pilot experiment on a very large scale. I ask nothing special for the veteran if he is a good risk and they can pick and choose their risks, let him build a house without a down payment, I hope ultimately we may reach that stage in our own housing legislation. Here is an opportunity for us to break new ground for people to whom we can give guidance and leadership.

The civilian has not the facilities of Brigadier Rutherford available to him as the veteran has. They teach him how to build. They help him a great deal; and as Mr. Bennett has said, he saves a couple of thousand dollars on the house. That is a good-sized contribution. The veteran has a stake in it even if he does not put another penny into it; I think consideration should be given to it. I throw that out to you as something to which the department ought to give serious thought. It comes as the result of the impression that Mr. Rutherford's report made upon me and upon other members in the committee. We were impressed with the amount of good they were doing.

Here is an opportunity to extend those benefits without cost to the treasury. I think we ought to canvass it. If the Americans can do it, then there is no reason why we cannot do it. That is what you told me overseas, Brigadier Rutherford, many many times.

Mr. BENNETT: I think the suggestion will be considered very seriously by the government and I would like to say that the veteran has not a \$2,000 stake in the property until he completes the building contract with the director.

Mr. CROLL: You mean at the end of it?

Mr. BENNETT: At the end of it, yes. And I would be afraid that with no down payment the veteran would not have a stake in the early part of the construction, and that we would run into difficulties.

Mr. CROLL: What Mr. Rutherford would call sweat equity.

Mr. NESBITT: Could we get some idea of the standards of competency which are required of a veteran in order to be competent to build his own home? What standards are likely to be required by the department.

Mr. H. C. GRIFFITH (*Superintendent of construction under V.L.A.*): The first approach to this "building your own home set-up" is that we, in the construction division, endeavour to screen the man as thoroughly as we can as to his competency. In the course of our interviews with him we try to ascertain whether he has had any exposure to construction work of any kind. If he has, then in many cases we are prepared to go along with him. He may indicate that he has the ability to manage work of this type. He may be a man who has a good record as far as his employment is concerned, a good record during the period from his discharge from the forces, and we consider that he looks like a good type. Those are guides to us.

Now as to his actual trade competency, that is something we can only determine from the interviews which we have with him, and through an indication of what he has done on previous occasions. We rate them at the screening stage in many cases if he indicates the ability to manage a contract and his ideas as to how he is going to go through with it. If those ideas meet with our ideas, then of course we will take a chance with him.

Mr. NESBITT: In that regard, how far would you, in your opinion, think the department might be prepared to go if you saw that a person exhibited competency as far as his general reliability was concerned but who had no particular information or training with regard to building? Would you provide him with someone to guide him or show him how to manage a building contract?

Mr. GRIFFITH: In the construction courses we endeavour to expose the man to various pitfalls which go into the administration of the job. That is very important. And we go through the financial end of the thing as thoroughly as we can and warn him against doing things which are contrary to what he has agreed to do in the contract with us, such as overbuilding and so on; and we have our construction supervisors who are in 90 per cent of the cases, practical builders themselves, and they will help the man right through from the inception. They take him right from the start and follow him through to the end of the contract.

Mr. NESBITT: Competency would be interpreted as a matter of general reliability?

Mr. GRIFFITH: That is right.

Mr. NESBITT: And if he is in a position to do a good job?

Mr. GRIFFITH: That relates to his competency.

Mr. NESBITT: Suppose a man has no financial assets. Would that be a mark against him or would you require that he have a good job and be steady, even though he did not have any particular assets?

Mr. GRIFFITH: We take the man's record. We have many cases where men have jobs which they have held permanently over a period of years and the indication is that those men are reliable men. We want to have reliable, earnest men and we will see them through.

Mr. NESBITT: This competency would leave you the widest interpretation, if the man is generally reliable?

Mr. GRIFFITH: That is right. It is not what you would call trade competency so much as general reliability.

Mr. FORGIE: How many houses have you built around Ottawa where the veterans themselves have done their own planning?

Mr. GRIFFITH: I would say, around Ottawa, something in the neighbourhood of from 200 to 250.

Mr. CROLL: Have you that many around any other city?

Mr. GRIFFITH: Oh, yes. Toronto is another example.

Mr. CROLL: How many are there in Toronto? Would you have as many there as you have in Ottawa?

Mr. GRIFFITH: We would have double the number there.

Mr. CROLL: That is good. That is all I wanted to know.

Mr. HARKNESS: In 47 (2) there is a question or a point I would like to make which works into what Mr. Croll said. It says that the veteran shall pay in cash to the director an amount equal to the cost to the director of that land, as determined by the director, or \$800, whichever is the greater. If the cost of the land is less than \$800—let us say it is only \$400—is there any good reason the veteran should pay more? In that case he is going to have to pay double the value of the land. Is there any good reason why he should be required to pay this greater amount of \$800? Why should he not get by with a down payment of only \$400 as the cost of the land?

Mr. McCracken: I think we require under this scheme a minimum security or a minimum down payment which will represent security during the period of construction, and it should be not less than \$800.

Mr. HARKNESS: The total cost, let us say, of the house when constructed and including the land is only going to be, let us say, \$6,000. Therefore why do you require the same amount of down payment, \$800, as if the house was going to cost \$10,000?

Mr. McCracken: I think you can go back to the same argument that we heard from the construction people, that in their building operations they consider that the minimum amount they require, to be on the safe side during construction, is \$800. They feel that is about the farthest down the ladder they can go to be on the safe side.

Mr. HARKNESS: Is it not an arbitrary figure? It used to be that you had to put down 20 per cent, under the National Housing Act. Now, if it was a \$10,000 house, you would have to put down twice as much as for a \$5,000 house. I do not see why the same principle should not apply here and why, if a man builds a cheaper house, the down payment has to be the same as that for the man who may build a house twice as expensive.

Mr. McCracken: You must remember that the difference is actually put into the house, and that the money is used in the construction of the house.

Mr. HARKNESS: I realize that. I am trying to get at a lower down-payment if possible and it seems to me that this is the way—without going as far as Mr. Croll advocated, that is without having any down-payment. You could have a down-payment of \$400 in respect of a \$6,000 house which would enable a lot of veterans who could not put up \$800 to build homes, who otherwise would be cut out. It seems to me that you are not impairing the general principle which prevails throughout of a certain percentage of the final value of the down payment, if the final value of the place is one half in one case what it would be in another. Why should that man still be required to put up the same amount?

The CHAIRMAN: This all works in with the National Housing Act. When we dealt with the National Housing Act the attitude of the administrator was

that they did not want to be involved in making investments in houses which they might regard as being below the value of a certain minimum. That has already been decided by parliament in the passage of the National Housing Act. This has got to be fitted in with the National Housing Act already passed.

Mr. HARKNESS: I do not think so. All that was really decided by parliament was, that the percentage of down payment where it was set at 20 per cent is now reduced to 10 per cent. But what I am trying to do is to get the same principle embodied here in respect of that down-payment of \$800.

The CHAIRMAN: The National Housing Act people have to approve of these loans. And if we go to them with something which they regard as not sound from their attitude, I doubt if they will make many loans. I think it is much better to put through something that is likely to work rather than a statute which will not fit in with the plans of the national housing people. What we propose to do here is to give the veteran a chance to get an \$8,000 home for an expenditure perhaps of less than \$6,000.

Mr. HARKNESS: For \$800 down-payment. It is the down payment feature that I am talking about.

The CHAIRMAN: When he has paid that, he does not have to pay it again. There is no doubt that if you said to people: you can go in there, or into this thing without making any substantial down payment, you would have many people starting in on these matters without much investment. But they might take an interminable time to make any headway with their building. If that happened we would be loading up the director with a whole lot of difficult problems. It seems to me that the minimum we ask them to pay, if the property or the land is worth \$800, or provided the land is not worth \$800 to make up the \$800 by a cash deposit is, a guarantee the person is going to see the thing through. But if you throw it open to everybody, whether they put any money in or not or have any money saved up or not, just look at the problems you are giving to the director.

Mr. HARKNESS: Your argument is directed to Mr. Crool's proposal at the moment.

The CHAIRMAN: Yes; and having heard him as chairman in the Banking and Commerce committee I was astonished to hear him bring forward something which was diametrically opposite in this committee. I guess it shows that it all depends on where you sit.

Mr. HARKNESS: I was not proposing that. I was proposing that the down payment should be in accordance with the general provisions of the National Housing Act and should be on a percentage basis rather than a flat payment of \$800. You see, if you let nobody come in except the veterans who are qualified—that does not apply to the one who puts down \$500 in place of \$800.

The CHAIRMAN: The minimum which would likely come under the Housing Act would be a house worth \$8,000; that would be their minimum as I remember the evidence given when Mr. Croll was chairman.

I argued that you should help the man get started to build his house even partway and, let us say, spend \$4,000 on it and then fix up the rooms as he went along. But as I remember it, everybody was horrified at the very idea. So now we have this and parliament has passed it, and you are too late.

Mr. BROOKS: They convinced you that you were wrong.

The CHAIRMAN: No, they did not convince me that I was wrong.

Mr. CROLL: Mr. Mansur said that he thought it was just not possible to have it generally applicable to civilians, but that he was ready to go along as far as the veterans are concerned because he had an administrative group with whom he could deal. That is the difference, just to correct the assertion.

There is much truth to what you say, nevertheless. I have always been a consistent advocate of lower down payments from the time I have been in the House, I think that a down payment at the present time should be 10 per cent and no more; but it was not possible and I took what I could get. Therefore I take this bill as the best I can get with the hope that some improvement can be made as we go along.

Mr. HARKNESS: I would like to hear an opinion from the director on the proposal which I put forward.

Mr. RUTHERFORD: In the majority of cases it would be pretty close to \$800. This idea emanated from our most successful experiment in house construction which was right here in Ottawa, where we took as low a down payment as that which also covered the veterans security deposit while he had the contract, and it worked out so well that we carried on from there, and it became a matter of policy.

Mr. HARKNESS: Why was the arbitrary figure of \$800 selected?

Mr. RUTHERFORD: We thought it was about right. Perhaps I should ask Mr. Griffith to answer that because he persuaded me that was about what was necessary and the minimum that we should have.

Mr. GRIFFITH: On this question of down payment I must say that as far as we are concerned, we feel that we are away out on a limb trying to get by on \$800. That figure was based on the first construction stage. That has been the practice of the V.L.A. under the Part I set-up where he allowed the first payment of 14 per cent for the first stage of building. That was for the small house where the contract ran in the neighbourhood of \$6,000—a very modest house, I would say. That figure of \$800 was what we considered had to be in the house in order to get the foundation down, including the excavation and the first floor framed. We have found that unless a man had what we call “earnest money” in it he was inclined to let the thing go when the work was getting a little difficult for him. Once they get started and find it tough going—and they all do—they might be inclined to let it drop if they have no “earnest money” in it. We would not have sufficient supervisors to carry through without any down payment. I think we are stretching it as far as we can when we try to operate on the basis of 20 units per supervisor in the average area and I do not think we could possibly expect our men in the field to take on problems where the veteran himself does not have what we term “earnest money” in it. There would be too many veterans who have been dreaming and who thought they could go on with the thing until they get blisters on their hands and aches in their backs and then decide it is too much for them and that they are through and of course the director would have the contract on his hands.

Mr. HARKNESS: Would you not consider \$400 or \$500 as “earnest money” on a cheaper house as well as \$800?

Mr. GRIFFITH: No, I think \$800 is too low for the \$10,000 or \$12,000 house. That is the way I feel about it. As I said, \$800 is what we consider it will cost to get the first stage of that house under way, and if you go below that you are, of course, getting into trouble. That is the smallest house we have.

Mr. BROOKS: The veteran would have to pay anything over \$8,000? You do not bring in \$10,000 or \$12,000 under the loan unless the man puts up the extra money himself?

Mr. GRIFFITH: That is right, but we are still charged with the responsibility of seeing that that veteran has the house completed without getting into difficulties with suppliers or labour.

Mr. RUTHERFORD: Of course he can make up that difference with labour.

Mr. BROOKS: I understood they had \$10,000 homes for \$6,000 which lends more strength to the argument of Mr. Harkness.

The CHAIRMAN: If any members have not seen the houses which have been built by veterans in the neighbourhood of Ottawa they should visit them and they would be most proud that the veterans, without any previous experience in building, have managed to create the wonderful homes they have created for themselves. There are homes that cost about \$7,000 which I am sure could be sold today for \$11,000 or \$12,000. Some of the homes are beautiful little homes and they cost them, I fancy, in some cases half of what they would be worth today. I think that any veteran who sees them will be proud to see what has been done by our veterans with the help of the V.L.A. administration.

Mr. HARKNESS: One of the reasons I brought this up was that I know of homes in Calgary where the cash outlay was not more than \$5,000 or \$6,000 and the rest was effort on the part of the veterans. What I was trying to get at is to enable more veterans to build homes with a cash outlay of \$500 or \$600 who do not have the \$800 cash outlay to start with.

Mr. QUELCH: I am trying to put this in line with Part I of the Act. Does the veteran get any grant under this part of the Act?

Mr. McCracken: No.

Mr. QUELCH: Why would a veteran go under this part of the Act? Why would he not go under Part I and get the grant? What is the advantage of going under this instead of the Small Holdings Act?

Mr. RUTHERFORD: In view of the fact he has to have two or three acres for small holdings and it is not usually available in cities.

Mr. QUELCH: That is the only advantage? There are cases where you allowed veterans to build homes on half an acre under the Small Holdings Act?

Mr. RUTHERFORD: Yes.

Mr. QUELCH: Do they get the grant?

Mr. RUTHERFORD: Yes.

Mr. QUELCH: It would be far better to get half an acre?

Mr. BENNETT: That was before 1946?

Mr. RUTHERFORD: And relates to properties that had been subdivided before 1946.

Mr. QUELCH: In other words, you have not allowed them to build homes on less than two acres? You keep shifting the figure from 1½ acres to 2 acres and 3 acres.

Mr. RUTHERFORD: No, only on property subdivided previous to 1946.

Mr. QUELCH: So it would still pay a veteran, where he can get 3 acres, to build under the Small Holdings Act?

Mr. RUTHERFORD: Yes.

The CHAIRMAN: Carried.

Mr. DINSDALE: Do I understand that to build a home costing \$8,000 the veteran must have a minimum income of \$3,300 a year?

Mr. RUTHERFORD: If his mortgage is to be \$8,000—yes. What he saves on labour he can apply on furniture. We often let contracts for more than they spend on the house and the difference goes into furniture.

Mr. DINSDALE: Your experience is that the average saving per unit is up to \$2,000?

Mr. RUTHERFORD: It varies so much. Colonel Griffith is very conservative and I think he would say \$2,000.

Mr. GRIFFITH: It varies so much it is difficult to say. Chaps have told me they saved \$4,000, but when you boil it down you find they were taking the marketable value of the house at that time. In two or three years it may be worth more or less. We must be careful concerning actual savings. "Savings"

does not mean he has actually taken in cash. They have to put labour into it in order to make up the savings. He does not have the cash now, but he is going to work and earn it.

Mr. FORGIE: By blood, sweat and tears?

Mr. GRIFFITH: Yes.

Mr. DINSDALE: A veteran who is contemplating building an \$8,000 home could start even if he were not in the \$3,300 salary category?

Mr. GRIFFITH: If we could perhaps convince Central Mortgage and Housing Corporation that he can build an \$8,000 home for \$6,000 they would bring him in under that category.

Mr. DINSDALE: That is just a hope.

Mr. RUTHERFORD: I do not know why it would not work. If a man is satisfied and the house cost him \$6,000, if he can get a loan for this he is better off than having a big one for \$8,000. We built 29 houses cooperatively here. The average salary of those boys was \$2,760 and some were well under the average.

Mr. CROLL: I think Mr. Tucker will remember that 27 per cent of the houses built under N.H.A. were built by people earning less than the salary requirement. A postman in Ottawa having an income of \$2,400 a year who has been with the department for two, three, four or five years, is eligible. They really are not applying that too strictly, and certainly will not to veterans.

The CHAIRMAN: I have looked at your houses built under the scheme which you have just referred to and they are wonderful homes.

Mr. CROLL: Of course they are.

The CHAIRMAN: There is no doubt about it. If the members have an opportunity to do so, they should visit them before the end of the session because I am sure they will be pleased with what has happened.

Mr. BENNETT: I would not like to leave this subject with Mr. Dinsdale's remark: "That it is just a hope." I know of several houses in my small town that have been built for \$5,000 and \$6,000 plus the owner's labour and they are nice houses, too.

Mr. BROOKS: I wanted to ask a question with reference to the schools of instruction. What do they propose to teach the veterans at these schools? Will they study carpentry and masonry and subjects of that kind?

Mr. RUTHERFORD: As Mr. Griffith said, the first lectures have to do with administration; then siting the house on the land—which is an important part—organization of the site—where to put the lumber when it arrives. "don't get this ahead of that" sort of thing. It makes a great deal of difference if you get the material feeding in just as it is required, then they start with foundations, subfloors, framing and follow right through. They also spend quite a considerable amount of time at the conclusion of the series studying the common mistakes made by beginners. A regular syllabus is drawn up.

Mr. BROOKS: Do they and their friends use hammers and saws themselves?

Mr. RUTHERFORD: Do you mean at the school, Colonel Brooks?

Mr. BROOKS: Yes, and at the house?

Mr. RUTHERFORD: Definitely.

Mr. BROOKS: And can three or four other veterans, besides the veteran who is building the home, go in and help him with the work?

Mr. RUTHERFORD: Yes.

Mr. BROOKS: Do they have any difficulty with the carpenters unions or with any of the unions?

Mr. RUTHERFORD: We have more than 6,000 houses completed and we have had only one complaint from a union. They registered a complaint but they said they were just registering it formally and asked us not to pay any attention to it.

Mr. HARKNESS: On subsection 3—

The CHAIRMAN: Could we carry subclause 1 then?

Carried.

Subclause 2?

Carried.

Subclause 3.

Mr. HARKNESS: Subclause 3 says:

(3) Where the land in respect of which any loan referred to in subsection (1) has been approved is not owned by the Director, the veteran shall, before any contract is entered into by him with the Director under section 48, convey such land or cause the same to be conveyed to the Director, with a good and marketable title free from all encumbrances, and, if the land so conveyed is appraised by the Director at a value of less than eight hundred dollars, the veteran shall in addition pay to the Director in cash the amount by which eight hundred dollars exceeds such appraised value.

Now, is there any appeal from the appraisal of the director? I am particularly interested in this because as far as farm lands are concerned the appraisals made by the V.L.A., in my part of the country at any rate, have been much less than the land was selling for. I think the director will agree that the appraisals have been low, because the price of land is going up more rapidly, apparently, than the basis of the appraisals worked on by the V.L.A. Take the case of a veteran who has paid \$1,000 for a lot—which is a cheap lot around my neighbourhood at the present time—the director, or his official, appraises it as only being worth \$500 so the veteran has to pay another \$300 and in effect has to pay \$1,300 instead of the \$800 that is required. Now is there any, shall I say, appeal from the appraisal of the official of your department, or is it final?

Mr. RUTHERFORD: As to our appraisals, if the veteran objects at all, we have decided that these appraisals will be submitted to the regional advisory committee. If there is any objection it will be submitted to the regional advisory committee.

Mr. HARKNESS: Have you a general rule that the price paid for a lot would be taken as at the value normally of \$800?

Mr. RUTHERFORD: Not necessarily. I think that would be a dangerous rule. Some of those lots are bought for much less than they are worth, while others are bought for more than they are worth.

Mr. HARKNESS: I am not worried over them being over-appraised.

Mr. RUTHERFORD: It would be the policy, if there is any objection, to submit the whole matter to the regional advisory committee who are generally pretty good.

The CHAIRMAN: Subsection 3?

Carried.

Subsection 4: Powers of the director.

Mr. HARKNESS: Just a minute. Under paragraph (b) it says:

“(b) construct, maintain and repair on any land acquired or held by him such buildings, improvements and other works as, in his opinion, are necessary for the purposes of this Part;”

Is the investment the actual house itself?

Mr. RUTHERFORD: That is right.

Mr. HARKNESS: I thought it might be work huts in a subdivision.

Mr. DINSDALE: These houses can be built on serviced land as well as on unserviced land?

Mr. RUTHERFORD: They may be built on unserviced land depending on the requirements of the Central Mortgage and Housing Corporation. A great many are now built on serviced land, while others are on unserviced land and they employ septic tanks. I would guess about 70 per cent are of that class.

Mr. DINSDALE: Is there any attempt to negotiate with municipalities in regard to services? Apparently that will come under the next section.

The CHAIRMAN: Carried.

Mr. DINSDALE: Oh, I see it comes in this section. Apparently there is an attempt made to negotiate with municipalities for the provision of services and so forth.

Mr. RUTHERFORD: Oh, yes.

The CHAIRMAN: Carried.

Now, clause 48: Director may enter into construction contract.

CONSTRUCTION CONTRACTS

"48. (1) Subject to section 47, the Director may enter into a contract with any eligible veteran certified by him to be qualified under subsection (1) of section 47, for the construction by that veteran of a single-family dwelling for his own use, at a cost to the Director not exceeding

- (a) eighty five per cent of the market value of the land and the proposed dwelling, as estimated by the Director,
- (b) the amount of the loan approved by the Corporation in respect of the construction by that veteran of the proposed dwelling, or
- (c) eight thousand dollars,

whichever is the least.

(2) Where the cost of construction of the proposed dwelling, as estimated by the Director, exceeds the least of the amounts mentioned in paragraphs (a), (b) and (c) of subsection (1), the veteran shall, before any contract is entered into by him with the Director under this section, pay to the Director in cash the full amount of such excess, less

- (a) any amount by which the amount paid by the veteran to the Director under subsection (2) of section 47 in respect of the land exceeds the cost to the Director of that land, as determined by the Director; and
- (b) any amount paid by the veteran to the Director under subsection (3) of section 47.

(3) Notwithstanding subsection (1), no contract shall be entered into by the Director under this section with any veteran with whom, under this section, the Director has previously entered into any contract, unless such contract was terminated by the Director, prior to the completion of the dwelling in respect of which it was entered into, due to circumstances beyond the control of the veteran as defined in the regulations, and the veteran repays to the Director in cash the full amount of any loss sustained by the Director, as determined by the Director, by reason of having entered into such contract.

(4) A veteran is not an agent or servant of the Director or of Her Majesty by reason only of having entered into a contract with the Director under this section.

Mr. HARKNESS: As I understand it, if for example the contractor estimates that 85 per cent of the market value of the proposed dwelling is \$6,000, but the amount of the loan approved by the corporation is \$7,000, nevertheless the total amount that the veteran can get is the \$6,000, which is the lesser of (a), (b) or (c).

Mr. RUTHERFORD: I do not think we need to take the 85 per cent very seriously because I think it will not apply in most of the cases.

Mr. HARKNESS: It comes down to a matter of appraisal again.

Mr. RUTHERFORD: I do not think that the particular item will be a factor; the \$8,000 will be a factor and the amount which Central Mortgage will allow, but I cannot see where 85% would ever be the lesser amount.

Mr. HARKNESS: You do not envisage your people being as sticky in regard to appraisals as they have been in regard to farm land?

Mr. RUTHERFORD: That is a matter of estimating what a house is going to cost.

Mr. HARKNESS: 85 per cent of the market value; it is an appraisal made previously to the house being built?

Mr. McCRACKEN: 85 per cent of what we consider the building to be worth upon its completion.

The CHAIRMAN: Agreed. Subsection 2 "Additional payment may be required."

Carried.

Subsection 3 "No contract in certain cases".

(3) Notwithstanding subsection (1), no contract shall be entered into by the Director under this section with any veteran with whom, under this section, the Director has previously entered into any contract, unless such contract was terminated by the Director, prior to the completion of the dwelling in respect of which it was entered into, due to circumstances beyond the control of the veteran as defined in the regulations, and the veteran repays to the Director in cash the full amount of any loss sustained by the Director, as determined by the Director, by reason of having entered into such contract.

Mr. HARKNESS: There are no explanatory notes in this bill at all and I think we should have explanations as we go along.

Mr. McCRACKEN: With respect to subsection 3 of clause 48:

(3) The purpose of this subsection is to prevent speculation and provides that a veteran may receive assistance under Part II only once unless, for reasons beyond his control, the building contract had to be terminated before completion of construction and the veteran repays the Director the amount of any loss the Director may have suffered upon sale of the property.

In other words, it is intended to prevent the veterans from building a house under part II and then selling it at a profit and then trying to come back again under part II, doing the same thing all over again.

The CHAIRMAN: Carried.

Mr. HARKNESS: What is the purpose of subsection 4?

(4) A veteran is not an agent or servant of the Director or of Her Majesty by reason only of having entered into a contract with the Director under this section.

Is that put in for protection?

Mr. McCRACKEN: It is for protection of the Director against any claims which may arise.

Mr. HARKNESS: Does it work to the disadvantage of the veteran in getting any work done?

Mr. McCracken: It has not done so, so far. The man is in no different position than he is under part I of the Veterans Land Act, in building a house, and it has not hampered the veteran from obtaining credit from the suppliers of materials.

Mr. Forgie: Even though they cannot file a mechanics lien?

Mr. HARKNESS: I thought that would probably make it difficult in some cases for the veteran to secure materials and so on.

Mr. McCracken: I do not think we have ever heard of a case yet where because of the legal position the suppliers of materials have refused to supply the veteran with such material or to give him credit in paying for it.

Mr. Griffith: We have over the past few years built up what we feel has been a very fine contact and liaison with suppliers across the country. There was a time when that did not obtain as much as it does at the present time and where the suppliers were left holding the bag, so to speak. But we now work in very close liaison with the supply firms in various areas. Practically all of our construction supervisors have more than just a nodding acquaintance with these suppliers.

When a contract comes up and a veteran goes to the supplier, almost invariably the supplier will talk it over with our representative in the area and discuss with him the proposed project. They will work out a schedule for the delivery of materials and will advise the supplier how payments will be made. We will do everything we can to see that the supplier is taken care of when the progress payments come through.

In some cases it is a difficult job because we have the odd veteran who does not play ball with us all the way through. But I think we have found a means to overcome it and as a result we are getting the greatest possible cooperation across the country from all suppliers.

In addition, perhaps, there are one or two things that hold the line in that connection, and one is the fact that the veterans may obtain materials from the supplier on the understanding that they issue a power of attorney to pay for the cost of those materials when the materials have been applied in the construction itself. And that has worked out.

Mr. HARKNESS: That power of attorney is issued to you?

Mr. Griffith: It is a power of attorney to us to pay the supplier.

Mr. Brooks: Do they ever exercise a lien against the property?

Mr. Griffith: No. Liens have been placed against such property but they are not legal.

Mr. Burns: Perhaps it might be pertinent to say that section 54 provides a way under which the claims of contractors can be dealt with in certain cases.

Mr. Croll: It has been no problem anywhere?

Mr. Burns: No.

The CHAIRMAN: Clause 49. This clause provides the veteran and his wife may be required to agree to enter into a collateral mortgage.

"49. (1) Every veteran who enters into a contract with the Director under section 48 shall, at the time of entering into that contract, enter into a collateral agreement with the Director providing, *inter alia*, for the execution by the veteran, upon the completion of the dwelling as required under the contract, of a mortgage under the *National Housing Act, 1954* in favour of the Corporation or an approved lender for the amount of the approved

loan referred to in subsection (1) of section 47 and the insurance fee required under paragraph (a) of subsection (6) of section 6 of the *National Housing Act, 1954* in respect of an instalment loan under that Act.

(2) The Director may, in the case of a married veteran, require that any collateral agreement or mortgage to be entered into or executed by the veteran as described in subsection (1) shall be entered into or executed, as the case may be, by the veteran and his spouse.

Mr. HARKNESS: As far as 49 (2) is concerned, is that done in all cases with married men? Is the wife put on the mortgage also?

Mr. RUTHERFORD: Not under the Veterans' Land Act, no.

Mr. HARKNESS: Is it going to be the case under the Housing Act?

Mr. RUTHERFORD: Yes, because the mortgage goes to Central Mortgage and the land is deeded.

Mr. HARKNESS: So where it says "may" it really means "will". The spouse in all cases will be made a party to the mortgage?

Mr. RUTHERFORD: In such provinces where it is necessary.

Mr. HARKNESS: What is the general purpose of it, to provide more security.

Mr. McCracken: Do you mean one or two?

Mr. HARKNESS: Two.

Mr. McCracken: I would say it is a general requirement that the mortgagee and the wife be parties to the mortgage.

Mr. RUTHERFORD: We give the veteran the title to his property and he gives a mortgage to Central Mortgage and Housing Corporation.

Mr. BENNETT: Under part II the land is deeded to the veteran on completion of the contract whereas under part I the Director holds the title until the end of the agreement for sale.

Mr. GUNN: One of the purposes of this particular section is, I think, due to the fact that perhaps the veteran builder may go into a house with his family before the building is actually completed and thereby create some dower interest. Therefore there is a need to get the wife's signature in advance. It may not always be apparent, but if it does appear before the collateral agreement is signed, then the signature will be obtained in order to get the wife bound under dower; but it will apply differently in each province.

Mr. HARKNESS: This may extinguish the wife's dower right.

Mr. GUNN: It is a protection against it arising during the course of construction.

Mr. WESELAKE: Can the veteran and his wife both take title?

Mr. GUNN: I think there is a provision for that; yes, I would say definitely that it is possible.

Mr. BENNETT (*Grey North*): The veteran can turn around and deed it to himself and his wife afterwards.

Carried.

The CHAIRMAN: Clause 50: Construction advances and assistance.

Mr. McCracken: This section contains the authority for the Director to:

(a) make progress payments to the veteran under the building contract; and

(b) furnish the veteran with V.L.A. plans and drawings and supervision.

Carried.

The CHAIRMAN: Clause 51: (1) Registration of mortgage, conveyance of land, etc. (2) Payment to be made by mortgagee. (3) Effect of payment by mortgagee.

Mr. McCracken: This provides that, upon completion of the building contract, the Director will register, at no cost to the veteran, the mortgage in favour of the Corporation or the approved lender and the conveyance to the veteran. It also provides that, upon registration of the mortgage, the mortgagee will remit to the Director an amount equivalent to his expenditures under the building contract and one-eighth of the insurance fee. Provision is also made that if the approved loan exceeds the cost to the Director under the building contract, then such excess shall be paid by the mortgagee to the veteran.

Let us take an example and assume that the cost of the land was \$800 and that the ordinary cost of construction would be \$9,500, and that the cost of construction as estimated by the director and allowing for the veteran's labour is \$8,500. The amount of the approved loan would be \$8,810. I have used that figure in relation to the combination of the cost of land and the ordinary cost of construction. The cost to the director under those circumstances would be \$8,000. That is the maximum. Now, the amount that would be payable by the veteran would be \$800 for the land plus \$500, the difference between the amount the Director could advance and the estimated cost of construction as estimated by the director. Now, the amount payable by the mortgagee to the director upon registration of the mortgage would be \$8,022.02. The amount payable by the mortgagee to the veteran upon registration of the mortgage would be \$810, the difference between the approved loan and the cost to the director of \$8,000.

Mr. NESBITT: Does that include the provincial land transfer tax?

Mr. McCracken: There are some cases where the veteran has not had to pay that but there may be some in the future.

Mr. FORGIE: There is no provincial land transfer tax in Ontario? In this case, the director has title, but in the other case the veteran has title?

Mr. McCracken: No, the director has title while the house is being constructed.

Mr. FORGIE: The veteran has no title until the mortgage and deed are executed. In the other case, under the V.L.A. he has nothing but a tenancy at will.

Mr. HARKNESS: Is there any time limit in which the veteran must complete construction? I have not noticed it throughout and this seemed the most appropriate place to bring it up?

Mr. GRIFFITH: We find under the National Housing Act the Central Mortgage and Housing Corporation have a time limit. We try to be as liberal as we can. If the veteran is of the type who will work hard, we will give him the maximum time if, due to any unforeseen circumstances, he runs into grief. We are fairly lenient in that regard.

Mr. HARKNESS: What is the maximum time you provide for those contracts?

Mr. GRIFFITH: With a veteran contractor generally some go as far as 18 months and some as low as 8 or 10 months, but the average would be around 14½ months. We try to keep away from the maximum as much as we can because the longer that job drags out the more chance there is of the veteran not going through with it. You have to catch a veteran while he is enthusiastic and help him get the job over and done with because, as I said, it is hard work and they get very tired of it.

Mr. HARKNESS: When you write the contract, what is the term which you put in?

Mr. GRIFFITH: It depends on the veteran himself; it may be ten, twelve, fourteen or eighteen months.

Mr. HARKNESS: What is the usual or the average time?

Mr. GRIFFITH: We run a year, as a rule.

Mr. HARKNESS: That is the rule you work on?

Mr. GRIFFITH: That is right.

Mr. HARKNESS: But under exceptional circumstances you extend it to eighteen months?

Mr. GRIFFITH: Oh, yes.

Mr. HARKNESS: And eighteen months is the absolute maximum?

Mr. GRIFFITH: No. We have some contracts that we are trying to get cleaned up which have been going on over four years.

Mr. HARKNESS: Four years from when you wrote the contract?

Mr. GRIFFITH: When we wrote the contract it was for a period of twelve months.

Mr. HARKNESS: And you keep on granting extensions?

Mr. GRIFFITH: Yes.

Mr. HARKNESS: As long as the progress is satisfactory; but suppose it is not?

Mr. GRIFFITH: Then we step in and clamp down.

The CHAIRMAN: Subsections 1, 2 and 3 have all been explained.

Mr. DINSDALE: Under C.M.H.C. the time limit would be the same?

Mr. GRIFFITH: They work on a figure I think of something like nine months. I do not think they would be too much concerned about that because the mortgage does not come into effect until we turn the house over to them.

Mr. DINSDALE: So the same circumstances would prevail?

Mr. HARKNESS: Under No. 2 is there any provision whereby this excess amount which would have to be paid back to the veteran can be applied right down to the mortgage, or must the term of the mortgage be carried out, making it that much longer for the man to pay it off?

Mr. McCRACKEN: It is my understanding that under the provisions of the National Housing Act the mortgagor may make pre-payments in either the first year or both the first two years without a penalty or bonus. I should say that if he wanted to apply these refunds against the principal sum he would be able to do so.

Mr. HARKNESS: But he would get no real credit for it without a penalty or bonus?

The CHAIRMAN: That is to the mortgagee. If you prepay you sometimes have to pay a bonus to the mortgagee.

Mr. HARKNESS: I have found that you always did.

Mr. FORGIE: You get a reduction of the interest which you have to pay to the mortgagee.

The CHAIRMAN: Carried. Clause 52, "Sale of portion of land." Will you explain that?

Mr. McCRACKEN: This section makes it possible for the director, with the consent of the veteran and the corporation, to sell a portion of the property on which the house is being built, or grant an easement, during the period of construction. Where such a sale or other disposition takes place, it is provided that the proceeds will be held by the director until completion of the building contract at which time, on direction from the corporation or the approved lender, they will be paid either to the mortgagee for application against the principal or

to the veteran. However, if the construction contract is terminated, then the proceeds will be retained by the director pending sale of the property and shall form part of the proceeds from such sale.

Mr. NESBITT: Before we go on to the next subclause, I take it that there is no limitation under this subclause about the size of the lot. In view of the fact it was 2½ acres is any change contemplated—not in this section, I know, but later on—as to people who presently own land in excess of what they can use requiring them to sell the land under those circumstances?

Mr. McCracken: The minister stated in the House when he presented this bill that the matter was under consideration. At the present time, the man has about four alternatives. If he has land which is surplus to his requirements, present requirements do not permit us to let him sell off that property which would bring the remaining acreage to less than that required by the Act and the irreducible minimum.

Mr. WESELAKE: Under this bill you would have to deal with the mortgagee whether it were the Central Mortgage and Housing Corporation or the bank?

Mr. McCracken: Yes, but I understood Mr. Nesbitt was dealing with a man who was presently a small holder and had land which was considered surplus to his requirements. The alternatives a man has now are four, I think. He can take title from the director—pay off the director and take title to the property and then do whatever he wants with the property. In that situation he would not be able to earn his conditional grant but would be able to get first of all a profit from the sale of surplus land plus the re-establishment credit. The second alternative would be to transfer his contract to a civilian purchase basis. In that event the rate of interest would be 5 per cent instead of 3½ per cent. He would not be able to earn his conditional grant but on the other hand he would be able to sell of his surplus land and in addition he could still apply for re-establishment credit. Under the provisions of clause 11 of Part I the veteran can sell that property if it is a tax situation which is bothering him. The director can sell it for him, with his consent, and use the sale proceeds to buy another satisfactory small holding unit in a lower taxation area.

Mr. NESBITT: With regard to the last alternative you mentioned, in view of the number of small holdings which have been annexed down into small cities since the war, do I understand it is obligatory, if the director sells part of that land, to take that money and apply it against another piece of property which the veteran must buy or can it be held?

Mr. McCracken: It can be held and applied against his debt.

Mr. NESBITT: But in your earlier remarks I understood you to imply that at present there is under consideration by the government some plan regarding those who presently have holdings?

Mr. McCracken: I merely mentioned what the Minister stated on the question asked by Mr. Fraser in regard to these veterans and that the minister stated at that time that the matter was under consideration.

The CHAIRMAN: Carried.

Mr. NESBITT: Have you got to part II yet?

The CHAIRMAN: We are on part II, yes. "Construction of contracts, agreements, etc."

Mr. McCracken: The purpose of this subsection is to protect the director by or against any claims which the veteran may incur during the period of construction. Similarly it will prevent the veteran from dealing with the property in any manner which might be prejudicial to the investment of public funds.

Mr. NESBITT: In regard to that, I see in the latter part that it says:

“—of which the contract or agreement was entered into, any right, title, interest or estate in that land.”

Just as a matter of interest I would like to know or I would like to hear some comment on this question: would there be any question of constitutionality about that particular section because it purports to deal with a right, title, interest or estate in land? Is it constitutional or not?

Mr. RUTHERFORD: At this time the title is vested in the director and the only right which the veteran would have would be any claim he would have for money invested in the property.

Mr. NESBITT: This subsection purports to deal with the right, title, interest or estate in the land and it seems to me that it comes within the orbit of provincial legislation and not federal legislation.

Mr. GUNN: May I make a remark on this point which I think is very well taken; the question has been considered by the Department of Justice, not necessarily with respect to this particular subsection but with respect to other legislation of a similar kind in which the parliament of Canada undertakes to say something about a contract already in existence; and the opinion of the Department of Justice is that such a proposition, as it appears here, is valid and is within the competence of the dominion parliament, having regard to the fact that we are dealing with veterans' contracts entered into between the Crown and the veteran, with the Crown being exempt, so to speak from provincial legislation.

Mr. NESBITT: I quite see that point. The only question that arises here is that this section seems to go a little beyond that inasmuch as it sets forth whether there shall be any right, title, interest, or estate which is normally decided by the courts of the province in their competence.

Mr. GUNN: I agree it goes quite far but it is going in that direction with the abundance of caution. The courts may eventually hold that the legislation is ultra vires, but up to the present time we think it is alright.

Mr. BELL: In the contract being vested in the Director do you contemplate any restriction on resale by the veteran?

Mr. RUTHERFORD: No.

Mr. BELL: He is free to deal in the property in any way he sees fit?

Mr. RUTHERFORD: As far as V.L.A. is concerned, yes.

The CHAIRMAN: Shall the clause carry?

Carried.

I think we have done very well this afternoon, gentlemen and we will adjourn until tomorrow morning at 11.30 or after the proceedings leading up to the orders of the day are concluded. I was going to say we might as well go on with V.L.A. and complete it if we can and then go back to the pensions bill after that.

The committee adjourned.

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Canada. Veterans
Special Committee on

HOUSE OF COMMONS

First Session—Twenty-second Parliament

1953-54

SPECIAL COMMITTEE

ON

VETERANS AFFAIRS

Chairman: W. A. TUCKER, Esq.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 10

THURSDAY, JUNE 3, 1954

WITNESSES:

Mr. T. J. Rutherford, Mr. A. D. McCracken, Mr. W. Strojich
and Mr. H. C. Griffith, of V.L.A.



ORDER OF REFERENCE

THURSDAY, June 3, 1954.

Ordered,—That the name of Mr. James be substituted for that of Mr. Murphy (*Westmorland*) on the said Committee.

Attest.

LEON J. RAYMOND,
Clerk of the House.

REPORT TO THE HOUSE

JUNE 3, 1954.

The Special Committee on Veterans Affairs begs leave to present the following as a

SECOND REPORT

Pursuant to the Order of Reference of Thursday, February 11, 1954, your Committee has considered Bill No. 101, *An Act respecting Benefits for Members of the Canadian Forces* and has agreed to report same without amendment.

With respect to Clause 12 of the said Bill, however, as the amendment contemplated therein would, to meet the view of the Committee, result in an increased charge upon the public, your Committee feels that it has no option under the rules of the House, but to report the clause without amendment. The Committee would, however, recommend that the Government consider the advisability of substituting for paragraph (c) of sub-clause 2 of Clause 12, relating to the Unemployment Insurance Act, the following:

(c) every person who was a member of the regular forces on and immediately prior to the 5th day of July, 1950, and thereafter without any interruption in service as such member, was on service in a theatre of operations on the strength of the special force and was discharged from the regular forces within three years from the date he ceased to serve on the strength of the special force; and
All of which is respectfully submitted.

WALTER A. TUCKER,
Chairman.

MINUTES OF PROCEEDINGS

HOUSE OF COMMONS, Room 430,
THURSDAY, JUNE 3, 1954.

The Special Committee on Veterans Affairs met at 11.30 o'clock a.m. The Chairman, Mr. Walter A. Tucker, presided.

Members present: Messrs. Bennett (*Grey North*), Brooks, Dickey, Dinsdale, Enfield, Forgie, Gauthier (*Portneuf*), Gillis, Goode, Green, Harkness, Henderson, James, Johnson (*Kindersley*), Jones, MacDougall, Nesbitt, Pearkes, Quelch, Roberge, Stick, Thomas, Tucker and Weselak.

In attendance: Honourable Hugues Lapointe, Minister of Veterans Affairs; Mr. E. L. M. Burns, Deputy Minister of Veterans Affairs, and the following other officials of that Department: Mr. G. L. Lalonde, Assistant Deputy Minister; Mr. G. H. Parliament, Director General of Veterans' Welfare Services; Mr. E. J. Rider, Research Adviser; Mr. C. B. Topp, Chief Pensions Advocate; Mr. E. V. Wilson, Travelling Inspector, Veterans Bureau. Also, Mr. T. J. Rutherford, Director, Veterans' Land Act, with Mr. A. D. McCracken, Senior Administrative Officer, Mr. H. C. Griffith, Superintendent, Construction Division, Mr. William Strojich, Superintendent, Property Division, Mr. W. G. Wurtele, Chief Treasury Officer. Also, Mr. J. L. Melville, Chairman, Mr. Leslie A. Mutch, Vice-Chairman, Canadian Pension Commission. Also, Mr. D. M. Thompson, Chief Welfare Officer, of the Canadian Legion, B.E.S.L.

The Committee resumed consideration of Bill 459, An Act to amend the Veterans' Land Act.

Mr. Rutherford, Mr. McCracken and Mr. Griffith were called and questioned in respect of the said Bill.

Sections 53 to 61, both inclusive, under Clause 2 of the Bill, were passed.

On Section 62 under Clause 2,

On motion of Mr. Bennett (Grey North),

Resolved,—That the said section be deleted and the following substituted therefor:

62. Subject to section 61, a reference to "this Act" contained in sections 6 to 44 and a reference to this Act contained in section 8 of the *War Service Grants Act*, in section 12 of the *Veterans Rehabilitation Act* and in sections 2 and 3 of the *Veterans' Business and Professional Loans Act* shall be construed as a reference to Part I of this Act.

The said section, as amended, was passed.

Sections 63 to 70, both inclusive, under Clause 2, were passed.

Clauses 2 and 3 were passed.

The preamble and title thereof having been passed, the said Bill was ordered reported to the House with an amendment.

At 1.15 o'clock p.m., the Committee adjourned to meet again at 11.30 o'clock a.m., Friday, June 4, 1954.

A. CHASSÉ,
Clerk of the Committee.

EVIDENCE

June 3, 1954.
11.30 a.m.

The CHAIRMAN: Order, gentlemen. We will proceed with the bill on the Veterans Land Act. We have carried clause 52 and we are now on clause 53. Would you give an explanation of that, Mr. McCracken, please?

Mr. McCracken:

This section outlines the action which the Director may take to protect himself from loss in any case where the veteran makes default under his building contract necessitating its termination. It provides that the Director may either dispose of the land and unfinished house or complete construction and then sell. A sale made in either situation will be subject to the approval of the Minister, if made for cash at a price not less than the cost to the Director, and subject to the approval of the Governor in Council if made at a price less than the cost to the Director.

(2) This subsection authorizes the Director to recover his expenditures, plus interest, from the proceeds of sale. It also defines those items which represent the Director's expenditures.

Mr. GOODE: Mr. Chairman, Mr. McCracken just said that any sale is subject to the approval of the director. There has been, as the director knows, some long delay in the approval being given under the present Act. How long does it take to get an approval of a sale? I want to qualify it by this: there are some veterans who live in my riding on Sea Island who have had difficulty making sales because of the time lapse between the application for approval and the approval being given. One case of which I have knowledge took seven months. There may be reasons for it, and I would like to know how long the approval for sale—if everybody is equal—should take. How long does it take to get an approval?

Mr. McCracken: There may be two sets of circumstances here, Mr. Goode. I take it the situation you are talking about now is where a veteran has arranged for the sale of his existing property to another veteran?

Mr. GOODE: At a profit, yes.

Mr. McCracken: There should not be any particular lengthy delay in that case ordinarily. We have told our districts this: when these sales come up, make sure that the veteran who is selling the property does not expect to get any refund or the surplus for a period of at least one month and possibly two months. What happens is that the first veteran, the man who is already on the property, gives his consent to the sale which is made under section 11. We also have documents signed by the new veteran. They are processed at the regional office and then at the district office, and are sent down to Ottawa. If the sale requires the approval of the Governor in Council, it usually takes another two or three weeks in that particular type of case but ordinarily the cases should not take more than one month to six weeks and at the outside two months.

Mr. GOODE: These delays are not in the district office of New Westminster which is most cooperative; the delay has always been at this end. But you say if it requires the approval of the Governor in Council it only takes another two or three weeks?

Mr. McCracken: Yes.

Mr. Forgie: Under clause 53 there must be a period of three or four months before the property is sold under the existing Act, is that right?

Mr. McCracken: Yes, where the property has reverted we must sell it after advertising at the best price we can get. That is the type of sale that would take place under clause 53.

Mr. Goode: Do you mean to say that a veteran cannot sell his property to a civilian—if I may use that term in this connection—without the property being advertised for perhaps more favourable prices?

Mr. McCracken: No, under clause 53 the building contract has been terminated for one reason or another—it could be that the man has walked off the job—and the house is in an unfinished state. The director can either attempt to sell the house in the unfinished condition or can complete the house and then sell the property.

Mr. Goode: Perhaps the chairman will permit me to break a rule here for a minute because my question is not exactly covered by the clause under discussion, but I think it is interesting. Could I ask the question again: If a veteran wishes to sell his home completed to a civilian who is not a veteran at a profit, what are the mechanics of the sale then? Do you have to advertise that sale?

Mr. McCracken: If the house is completed then the mortgage will have been registered, the conveyance to the veteran will have been registered and we are completely out of the picture. The action concerning the disposing of the property is completely in the hands of the veteran. We are not in the picture at that stage at all.

Mr. Goode: I was just asking for my own information.

The Chairman: Carried?

Carried.

Clause 54, "Claims for materials and services." Would you just briefly explain that, Mr. McCracken?

Mr. McCracken:

This section enables creditors of a veteran, who makes default in the construction contract necessitating its termination, to file claims with the Director subsequent to resale of the property. Such claims must be filed within thirty days of the date of sale. If claims are filed within that period, then the proceeds of sale in excess of those used to repay the Director are retained for another thirty days which represents a further period within which the creditors and the veteran may attempt to reach a settlement. If no settlement is reached during this further period, then the Director is authorized to make application to the Exchequer Court of Canada to pay "the surplus", less the Director's costs in connection therewith, into that Court.

In any case where no claims are filed within the first thirty days following sale of the property, "the surplus" is payable to the veteran or to his estate.

Mr. Harkness: As I understand it there is really a period of 60 days in which claims can be filed; the first 30 and the second 30?

Mr. McCracken: That is true to a certain extent except that if no claims are filed within the first 30 days then the director will be paying the surplus, having no notice of any creditors, to the veteran.

Mr. Harkness: As I understand it there is this second period of 30 days in which claims may come in and in that case the surplus would not be paid?

Mr. McCracken: That second 30 days, Mr. Harkness, is to give the creditors and the veteran sort of an extension to the initial period in which to try and reach a settlement.

Mr. Harkness: Claims that had not been made in the first 30 days but were made in the second 30 days would not be considered then, is that it?

Mr. McCracken: I think in the practical application of Part II we would probably consider the claims received in the second 30 days.

Mr. Harkness: That is what I took from this, if they came in in the second 30 days they would still be considered.

Mr. McCracken: I think in practice we would try to encourage the veteran and anyone who put in a claim to try and get together.

Mr. Dickey: If there had not been a claim in the first 30 days, in all probability the money would have been paid out and there would be nothing you could do?

Mr. McCracken: Yes.

Mr. Enfield: Do I understand that clause only applies in such cases where the director is making a sale of the property?

Mr. McCracken: That is right, sir. The only time the veteran would be making a sale of his property would be when the house is completed, the construction contract has been completed, and the property has been conveyed to the veteran and a mortgage has been registered.

The Chairman: Just so the record may be quite clear, as I read that there would be no power to pay any claims unless they were filed in the first 30 days, judging from the way this clause is worded?

Mr. McCracken: That is right, sir.

Mr. Nesbitt: In a similar vein to subclause 2 of clause 52, have you some comment as to whether this legislation might very well be ultra vires—subclause 1 of clause 54?

Mr. Bennett: Mr. Gunn is not here but I know that this particular clause as Mr. McCracken well knows, was drafted by the law officers of the Department of Justice and that point was considered. I do not think anything more can be added to what Mr. Gunn said yesterday, that in their opinion it is within the competence of the parliament of Canada to legislate regarding veterans affairs.

Mr. Nesbitt: Regardless of the fact that it is set out in the form of civil procedure?

Mr. Bennett: Yes, that is their opinion.

The Chairman: Similar legislation has been in force since the first world war under the Soldiers Settlement Act.

Mr. Weselak: You are actually setting out the means by which they can be attached?

Mr. McCracken: Yes.

The Chairman: Carried?

Carried.

Clause 55. Would you explain that please?

Mr. McCracken:

55. This section provides that there will be a Revolving Fund amounting to \$15,000,000 which shall be used for the purchase, subdivision and development of land; progress payments to veterans during construction; completion of unfinished houses, etc.

Mr. Brooks: How is the amount arrived at?

Mr. McCracken: On the basis, sir, of considering the average length of time the houses would be under construction and probably the number of houses which we could handle during that period with the staff available, etc.

The CHAIRMAN: Carried?

Carried.

Clause 56, "Insurance account." Would you explain that please?

Mr. McCracken:

56. An Insurance Account is established by this section to which will be credited the one-eighth of the insurance fee paid to the Director by the Corporation or approved lender at the time of registration of the mortgage. Any loss to the Revolving Fund resulting from the sale of a property following termination of the construction contract will be made up from moneys in the Insurance Account.

The CHAIRMAN: Carried?

Carried.

Clause 57, "Other amounts." Explain that please.

Mr. McCracken:

57. This section provides that payments made to the Director by a veteran—such as the difference between \$800 and the cost or value of the land on which the house is to be built; or such as the difference between the estimated cost of construction and the amount the Director can advance towards construction—will be maintained by the Director in a Trust Account until such time as disbursements are called for under the construction contract. If, for any reason, construction does not proceed, then the payments will be returned to the veteran.

The CHAIRMAN: Carried?

Carried.

Clause 58, "Veterans Cooperative Housing Association." Explain that please.

Mr. McCracken:

58. This section enables the Director to assist co-operative housing associations consisting solely of eligible veterans each of whom is approved of a loan under the National Housing Act. Generally speaking, it is anticipated that the Director will enter into a blanket construction contract with the association under the "cost to the Director" amounting to the aggregate of the advances the Director could make on behalf of each individual member. Upon completion of the building contract, and notification to the Director of which houses have been allocated to which member, the Director will register a mortgage and conveyance with respect to each member and then receive proceeds from all the mortgages to the extent of Director's expenditures.

Mr. HARKNESS: I think this is a very good provision because it provides for a group of people, one who may be a carpenter, another who may be a plumber and another who may be a stone mason or something, to get together and do perhaps a better job than would be done by an individual veteran. There is one point I wondered about. What is the cost of incorporation to these people. Do you have any idea what that runs to?

Mr. McCracken: No, I am afraid I have not. I do know with regard to the group of 29 veterans who built out in Carleton Heights—I cannot tell you exactly what the cost of incorporation was—but I do know our lawyer drew up practically everything in connection therewith, including the by-laws of the association and all the documents that were required by them in order to effect their incorporation.

Mr. HARKNESS: In other words, your lawyers and officers will assist veterans in securing this incorporation?

Mr. McCracken: That is right.

Mr. HARKNESS: What would be the minimum number required to form an organization?

Mr. McCracken: We have a figure in here of 6, sir.

The CHAIRMAN: Carried?

Carried.

The CHAIRMAN: Clause 59, "Form of contracts, collateral agreements and so on." Carried?

Carried.

Mr. GOODE: Could we not carry clause 59 and 60 all at once?

Mr. HARKNESS: The effect of these is really the same.

The CHAIRMAN: Does clause 60 carry?

Carried.

Does clause 61 carry?

Carried.

Clause 62, "References contained in Part I." Carried?

Carried.

We now come to Part III of the bill, "Farm improvement assistance." Clause 63.

Mr. GOODE: I wonder if you would allow me to ask a question before we go on to the question of farm improvement assistance. I was a little concerned regarding the statement of the director the other day that, as I understand it, he would insist on serviced land. We have a lot of land in my riding of Burnaby-Richmond which is not serviced and perhaps will not be serviced for another 10 or 15 years. I hope you are not going to hold the application of this Act to serviced land entirely. Of course, the impression I got of the director's statement might be entirely wrong.

Mr. RUTHERFORD: I am afraid you misunderstand me. I did not intend to say that.

The CHAIRMAN: You said that a great deal—over 70 per cent—of your building under the Small Holdings Act was on unserviced land.

Mr. RUTHERFORD: Yes. I did say—too that this was a matter which Central Mortgage and Housing Corporation would have something to say about as they are the mortgagees.

The CHAIRMAN: Do you wish to make a general statement concerning clause 63, Mr. Rutherford?

Mr. RUTHERFORD: No, I do not think so. I believe my brief covered that fairly well.

Mr. McCracken:

63. This section establishes:

- (1) that additional loans may be made by the Director over and above the maximum financial assistance prescribed by section 10(1)—\$6,000; section 10(3)—\$5,800; and section 15—\$4,400; and
- (2) the purposes for which the additional loans may be made; and
- (3) the amount of the additional loans that may be made on behalf of full-time farming veterans (\$3,000) and part-time farming and commercial fishing veterans (\$1,400); and

- (4) that additional loans may be made to full-time farming veterans already settled but, in the case of part-time farming and commercial fishing veterans, only at the time they enter into a contract with the Director.

The CHAIRMAN: The additional amount in the case of the full-time farmer is how much?

Mr. McCracken: \$3,000.

The CHAIRMAN: \$3,000; and the additional amount in the case of the small holder, made at the time of his settlement, is what?

Mr. McCracken: \$1,400.

Mr. Dickey: Why is the distinction made in connection with the part-time farmer and the commercial fisherman?

Mr. McCracken: I believe, sir, it is because of the understanding that they would be able to obtain assistance for home extension and home additions under part IV of the National Housing Act, when that part is proclaimed.

Mr. Nesbitt: I take it from the explanation that the money which is advanced under this section is for improvement of the land in the broad sense of the word. And first of all: with regard to building such things as chicken-houses and brooderhuts and so on, where those are considered as removable from the land, what would be the view with regard to making advances for building such things as that?

Mr. McCracken: I am not sure whether we consider it to be stock and equipment, but I think we are making advances under part I right now for that type of purpose.

Mr. Nesbitt: How about an oilburner, for instance, which are clearly attached to the land?

Mr. McCracken: I would say that was in the nature of permanent improvement which would come under the additional loan; any thing in the nature of a permanent improvement which is attached to the land.

The CHAIRMAN: If there is any talking in the room it hampers the reporters in getting down the evidence and may cause a gap therein. So I would ask everybody to keep that in mind.

Mr. Nesbitt: What about such things as brooderhouses and oilburners, things which people require?

Mr. McCracken: We consider those things to be in the nature of permanent improvements. For anything which is in the nature of permanent improvements, it will be possible to get an additional loan.

Mr. Nesbitt: Would it be possible to obtain funds for permanent improvement, let us say, of a farm which had very acid soil, for fertilizer which would de-acidize that soil over a long period of time?

Mr. Rutherford: That is one of the things which I consider will constitute a most effective use of this loan, particularly in the Eastern provinces.

Mr. Harkness: As far as the full-time farmer is concerned, these advances are calculated to produce two results: one, to enable him to improve his farm; and two, to enable the veteran to buy a farm which might be too expensive for him to buy otherwise. Have you been able to settle many veterans at the present price of land, in western Canada particularly, within the present limit?

Mr. Rutherford: No and I would say that price has been the limiting factor to a large extent. As you may remember, in 1949 an amendment was made to the Veterans Land Act providing for continued establishments. That is to say, where a man had a limited enterprise and could not expand it into a sound economic unit where it was situated, we could sell that property and use the proceeds therefrom to buy another property which had a better potential.

I see this \$3,000 additional loan making this possible in a great many more cases than in the past. That provision, which is now section 11, has done a great deal of good. It has been used to a large extent for small holders. The number of full-time farmers who have taken advantage of it have not been large. However, the advantage to those who have has been great.

Today, many farmers are very anxious to expand their enterprises. We have a lot of farms with poor houses on them. Rather than to spend \$5,000 to build a new house, we could often with a little more money, sell out and buy another farm with a good house on it. In this way we have been able to make some very, advantageous exchanges. This is the cheapest and most effective form of help that we can give. It does not cost anything. This extra loan will make it possible, to do more of this sort of thing and thus enable us to assist many farm settlers to an extent we have not been able to do before.

Mr. HARKNESS: I know that this continuing establishment as you call it has been very useful so far as many farmers in the western section in our country are concerned. A lot of those units at the present time have not been very economic because the amount of land has been too small. I am glad that this further \$3,000 has been put in. It should be of enormous help to a large number of people whose farms are too small at the present time to enable them to carry on satisfactorily, with the result that they have had to take work in addition in order to carry on.

Paragraph (iii) reads: "purchasing additional land to be used in connection with the land to which that contract or advance relates; or..."

Will that take in definitely the continuing establishment provision?

Mr. RUTHERFORD: I checked that personally with the Department of Justice to make sure that it did. The official of that department who drew up the Act assured me that continuing establishments were amply provided for in this section. I have his word for it.

Mr. HARKNESS: It did not seem to be very clear.

Mr. RUTHERFORD: I admit that.

Mr. HARKNESS: Is it considered with the purchase of additional land to be used in connection with land already held, that the new land does not necessarily have to be adjacent to the land already held?

Mr. RUTHERFORD: No.

Mr. HARKNESS: It could be land which was two or three miles away?

Mr. RUTHERFORD: Yes, it could be down the road. We do not like to see an enterprise scattered, but within reason there is no objection.

Mr. HARKNESS: In my own part of the country particularly, a man may have a quarter section farm and there might be another $\frac{1}{4}$, let us say, two miles away from it which he should have in order to farm economically. But if it had to be contiguous to his own farm he might not be able to buy it.

Mr. RUTHERFORD: It is purely a matter of whether the distances are reasonable or not.

Mr. QUELCH: If the veteran obtained a loan on his land under the Farm Improvement Loans Act with which to put in a water system and electricity, that loan would be made for from five to ten years. Would it be possible for him to get a loan under this provision in order to repay the farm improvement loan?

Mr. RUTHERFORD: I do not think he could get a loan for that purpose. If he were settled under the Veterans Land Act, as he would have to give the security of his land.

Mr. QUELCH: They do make loans to veterans for machinery, do they not?

Mr. RUTHERFORD: Yes. They have been very good to our veterans, and these loans have been very useful. The veterans have made good use of them.

Mr. QUELCH: I thought they made loans for putting in electricity, but I may be wrong.

Mr. RUTHERFORD: I do not think so to U.L.A. settlers.

Mr. QUELCH: Why is the veteran not able to obtain money under this section for the purchase of machinery? At the present time he may have to put most of his money into improving the land and yet he has to expand his purchases of machinery.

Mr. RUTHERFORD: He can still get money under the Farm Improvement Loans Act.

Mr. QUELCH: Yes, but only for a three-year period. This would be for the same period as under original agreement.

Mr. RUTHERFORD: We are quite satisfied with the arrangement we have with the banks under the Farm Improvement Loans Act. We think it is working very well.

Mr. QUELCH: It would not help the veteran to be able to buy a combine costing, let us say, \$3,000 when he has to repay it in three years, while under this Act he would have from ten to fifteen or twenty years in which to make the repayment.

Mr. RUTHERFORD: We are trying to cut down on expensive machinery.

Mr. QUELCH: All farmers would like to cut down on machinery, but with the labour situation as it is they have to buy machinery. You will agree that the veterans should try to get along with a minimum amount of labour.

Mr. RUTHERFORD: Our supervisors go to the bank with the veteran, and if they have a reasonable proposition, the banks have been very good.

Mr. FORGIE: What security does the Farm Improvements Loans Act require for these loans?

Mr. RUTHERFORD: I am not quite sure. I believe by way of section 88 or a chattel mortgage.

Mr. FORGIE: The veteran only has a tenancy at will. Therefore, he has no security to offer to the bank to cover a loan. It must be done with the consent of the director of the Veterans Land Act when he secures his loans under the Farm Improvement Loans Act.

Mr. RUTHERFORD: For machinery?

Mr. FORGIE: Yes.

Mr. RUTHERFORD: No, he could get it without.

Mr. WESELAK: They take their security on the machine which is bought.

Mr. HARKNESS: I think that Mr. Quelch has a point because, under part I, the original grant of money could be used for the purchase of farm machinery, whereas this \$3,000 cannot be used for that. I do not see why there should be a distinction or a difference.

Mr. RUTHERFORD: Under part I, machinery is a conditional grant; it is given to get the veteran started and we believe that from then on he should be able to finance his machinery in the ordinary way.

Mr. HARKNESS: It may well be that instead of improving his farm, as a result of the purchase of lime and putting in drainage tiles, that improvement would be secured chiefly through better cultivation with another machine which he cannot buy. In other words, permanent improvement to the farm could quite readily come about through the purchase of certain machinery.

Mr. RUTHERFORD: I still believe that the Farm Improvement Loans Act would take care of it.

Mr. HARKNESS: Such a thing as a "chisel" cultivator, or something like that.

Mr. DICKEY: Have you found any problem in veterans getting the machinery that they require?

Mr. RUTHERFORD: No.

Mr. DICKEY: But you have found problems with respect to permanent improvements?

Mr. RUTHERFORD: Yes, definitely so. Our only problem under the Farm Improvement Loans Act is that sometimes we think they are loaning too much.

Mr. QUELCH: With repayment already made.

Mr. DINSDALE: Could you get such a loan for the purchase of livestock?

Mr. RUTHERFORD: After his initial \$1,200 that a veteran receives for stock and equipment, which is a grant, he has to depend on his own resources.

Mr. PEARKES: I take it that the main object of these assistance loans is to increase the productive value of the land, in fact, they are to help the veteran either immediately or in the future to improve his earning capacity from that land. That is the main object of them; and to a certain extent the provisions of this section will help the farmer and the part-time farmer.

But I do not see what benefit it is going to be to the commercial fisherman. The commercial fisherman is mentioned specifically in this section. Now, brooderhouses and fences do not help the fisherman to increase his productive capacity. He cannot fence in his fish, of course, unless he uses one of the weirs which are used in New Brunswick; but they can only be used in certain provinces. In British Columbia you cannot, of course, use traps for salmon.

Is there not something which could be included in this section which would enable the commercial fisherman to increase his earning capacity in exactly the same way that you are allowing \$1,400 to the farmer to help him increase his earning capacity?

You are doing nothing to help the fisherman increase his earning capacity. He may build an enlargement to his house, but that is not for the same purpose at all. Could you not have some of this money used for improving his vessel or getting some new type of equipment such as nylon nets, for instance, which would enable him to increase his productive capacity, or permanent improvements in his industry, such as permanent improvements to his boat, or permanent improvements to his fishing-gear? Is there anything in this section which would enable that to be done and if not, could consideration not be given to extending this section?

And secondly, in respect to weirs which are definitely on small holdings in the Maritime provinces, would a commercial fisherman operating one of these weirs be permitted to expend money for repairing that weir or developing it?

Mr. RUTHERFORD: Well, sir, that is something we would have to give very serious consideration to. It is a question of equipment, and rather expendable equipment, because much of it is lost, as you know. There is provision in the eastern provinces—I am not sure about Newfoundland, but in most of the eastern provinces—under Provincial Fishermen's Loan Boards to look after that sort of thing.

In British Columbia you do not have anything of that nature. But the fish companies there give our advances on their catch to buy equipment, some equipment lasts only for a year.

There is also the Canadian Fishermen's Loan Board which is much the same as the farm loan board legislation. This which was passed in 1945. However, I do not know to what extent it has been used. This is a matter of government policy and I do not know too much about it.

My personal opinion is that they should get this loan only for improvements to their property, other things should be financed in the ordinary civilian way. The fisherman can get considerable help towards building his home and is given grants for his original equipment.

Mr. PEARKES: I think you are missing an opportunity to help the fisherman who has gone into commercial fishing. There are quite a number of them in my constituency. They are men who served overseas and they are carrying out their tasks and they are not necessarily working for any particular company; they are operating off Vancouver Island and I think you are missing an opportunity in not extending some means in this section to help them improve their productive capacity in the same way that you are helping the farmers. I wish you would give consideration to that to see if it is not practical to increase it.

Mr. GREEN: I wonder, Mr. Rutherford, just what this section means? In the case of a small holding or a commercial fisherman, additional assistance of \$1,400 may be made available.

Mr. RUTHERFORD: That is correct.

Mr. GREEN: It is the intention that a person who has a small holding now cannot qualify for the additional \$1,400 of further assistance?

Mr. RUTHERFORD: That is correct. Part IV of the National Housing Act provides for home improvements and should look after him very nicely.

Mr. GREEN: In the case of a small holder or a commercial fisherman, is he restricted by clauses i, ii and iii in subsection a?

Mr. McCracken: How do you mean "restricted"?

Mr. GREEN: Restricted to borrowing money only for erecting or improving buildings or providing an addition? Or is this provision for small holders or commercial fishermen a straight case of their being able to obtain an additional loan of \$1,400?

Mr. RUTHERFORD: An additional loan for the purpose of building a house?

Mr. GREEN: It is restricted to that?

Mr. RUTHERFORD: That is right.

Mr. GREEN: You call this farm improvement assistance whereas actually, part of it is not that at all. Part of it applies to small holdings and to the commercial fisherman. As a matter of making the Act more legible, would it not be wiser to call this part "additional financial assistance" or "supplementary financial assistance"? I started looking through the bill to see what happened to the "small-holdings" men and I did not think of looking under "farm improvement assistance."

Mr. RUTHERFORD: There is no mention in the Act of a small holding. They are referred to as part-time farms, throughout.

Mr. DICKEY: And this is intended to improve part-time farming?

Mr. RUTHERFORD: Yes.

Mr. GREEN: But it is also intended to improve the lot of fishermen?

Mr. DICKEY: But he is a part-time farmer, too.

Mr. BROOKS: Mr. Dickey is quite right, the fisherman is a part-time farmer. I know that in my province 40 per cent of the fishermen are part-time farmers. I was going to ask if he could receive a loan of \$1,400 as a part-time farmer and another loan of \$1,400 as a fisherman.

Mr. RUTHERFORD: I am afraid that having received one he could not receive the other, but we can transfer the small holder to a full-time farmer if farming becomes his main source of income he would then be eligible for this loan even if he were settled originally as a small holder.

Mr. GOODE: I could not agree more with Mr. Pearkes this morning—he has a good point—and I could not disagree more with Mr. Brooks because our fishermen on the coast are not part-time farmers at all. The Department of Fisheries are encouraging fishermen in our part of the country to go further and further out into the Pacific and I am quite sure that General Pearkes will agree with me that it is almost impossible for our fishermen to be part-time farmers. I would strongly support what he said. I think the department should take into a consideration the possibility of giving some assistance to these chaps. I know today that a poor quality net costs \$2,000 and if they purchase a net to go further out in the Pacific it will cost \$3,000, and I think they should take into consideration the general fishermen Mr. Pearkes talked about.

Mr. PEARKES: Thank you.

Mr. RUTHERFORD: We will certainly look into it.

Mr. JONES: Would this Act provide for a veteran fruit grower who wants to purchase new trees?

Mr. DICKEY: He is a part-time farmer.

Mr. RUTHERFORD: Yes, the purchase of trees definitely comes under that heading.

The CHAIRMAN: Carried?

Carried.

Clause 64, "Amount to be paid by veteran." Would you explain that, Mr. McCracken?

Mr. MCCracken: This section establishes that in conjunction with the loan made by the director—

Mr. GOODE: There are some of us who are very interested in this. I am sorry, but I cannot hear.

The CHAIRMAN: I am sorry, too. I do not want to be continually complaining about this thing, but the reporter here is constantly indicating to me that he cannot hear clearly so as to record the questions and answers.

Mr. QUELCH: If the members talked a little bit louder when speaking to the chair it would help.

The CHAIRMAN: Yes, but I am sitting here, and I do not have to write and I can sympathise with the reporter because at times I have difficulty in following the questions. So I cannot blame the reporter because he has not only to hear but to write what is said. Therefore I just ask for the cooperation of the members of the committee. This room is smaller than the one we previously used, but it seems that if there is any conversation at all it creates a reverberation which makes it very difficult for the reporter to hear the evidence. I just ask you to please, bear that in mind. Mr. Goode was saying he could not hear. What was it you did not hear? Oh yes, Mr. McCracken was explaining clause 64.

Mr. MCCracken:

64. This section establishes that, in conjunction with the loan made by the Director, the veteran must contribute an amount equal to one-half of the loan, with both the loan and the veteran's contribution being disbursed by the Director. It also provides that the veteran will pay to the Director any amount by which the cost of the project, as determined by the Director, exceeds the aggregate of the loan made by the Director and the veteran's contribution.

Mr. HARKNESS: Where do you see the provision that the veteran has to contribute half the amount of the loan? Where does that appear in this clause? I do not see that at all.

Mr. McCracken: I am sorry, I got ahead of myself. That is clause 65.

Mr. BENNETT: If you understand clause 65, Mr. Harkness, you are the only one who does!

Mr. HARKNESS: I do not understand it and I have a number of questions to ask because the language is very involved. As far as this clause is concerned it merely provides that before the loan is advanced the excess in the cost of the land must be put up by the veteran in cash.

Mr. McCracken: Let us take a hypothetical case. Suppose the land costs \$5,000; the director would put up \$3,000 and the veteran would have to pay the excess. That is what it amounts to.

The CHAIRMAN: Carried?

Carried.

Clause 65?

Mr. WESELAK: In the case of a veteran who wants to build a house if he has half the value of the \$3,000 in material would that be acceptable? In my part of the country they do a lot of lumbering in the winter and so on.

Mr. RUTHERFORD: Yes.

The CHAIRMAN: Would you explain clause 65 if you can?

Mr. HARKNESS: I might suggest that I think the explanation might be better if it were given subclause by subclause.

Mr. BENNETT: I think it should be by concrete example.

The CHAIRMAN: I think he should do it by explaining the clause as a whole, if possible.

Mr. McCracken: I might say before I start that if you look at table H of the statement or brief which was presented at the beginning you will find some examples in there which I think we could refer to later on.

65. This section provides that, if a veteran had an equity in a property at the time he entered into a contract with the Director; or if, since his establishment, he effected improvements at no cost to the Director which increased the value of the property; or if he made an excess payment at the time of his establishment to meet the difference between the cost to the Director and the sound value of the property, then the amount of such equity, increase in value or excess payment (for practical purposes termed "earned increment") may be used as all or part of the veteran's contribution as required by section 64. In this respect, section 65(1) outlines the formula whereby the amount of the veteran's contribution, if any, is established; i.e., where the cost of a project is less than \$4,500, the amount of the veteran's contribution is the difference between such cost or \$3,000 (whichever is the lesser) and two-thirds of the aggregate of such cost and the "earned increment".

e.g. Assume a veteran has "earned increment" of \$800 and the cost of purchasing additional land is \$4,000. If no "earned increment" were involved, the veteran would be required to put up \$1,333.33 against the Director's \$2,666.67. Because of the "earned increment" of \$800, however, the veteran would only be required to put up \$1,000.

Now, clause 65, subclause 1 outlines the formula whereby the veteran's contribution, if any, is established. Let us take a case for example. Let us suppose the man's earned increment was \$600. Perhaps he made an excess payment at the time he was established of \$600 and he wants to buy some additional land which is going to cost \$3,000. Now, the manner of determining

both the director's and the veteran's contribution in that case is to take two-thirds of \$3,000 plus two-thirds of the veteran's earned increment—in other words, \$2,400. That is the amount of the director's loan or the amount of the loan that the director will advance towards the cost of purchasing that additional land of \$3,000 leaving \$600 for the veteran to put up.

Mr. HARKNESS: In other words it is the amount of money required plus the amount the veteran has already put into it?

Mr. McCracken: Yes. The basic formula is on a "two for one" basis. The director puts up \$2 and the veteran puts up \$1 for a \$3 contribution. Now, in allowing a veteran who has an equity or earned increment in that property to use that as his contribution, it boils down to considering that had the veteran not put that money in yesterday, let us say, he would have had it available to put in today towards the cost of the project in question.

Mr. HARKNESS: It is credit for past good performance?

Mr. McCracken: Yes.

Mr. MacDougall: What is the situation, Mr. Chairman, with respect to increased improvement? Now, we all know that in large cities where the individual property holder increases his equity for instance by painting his house or painting a fence or what have you, his taxes immediately go up. Now, does the same thing apply in the case of the veteran as far as the municipality in which his land is situated is concerned? When he makes improvements do his taxes go up?

Mr. McCracken: That is right, generally speaking.

Mr. Quelch: I suppose the same thing applies as in some of the other provinces, the taxation is on the basis of unimproved property.

Mr. MacDougall: Is it always considered on the basis of unimproved property?

Mr. Quelch: Yes. Although they are bringing about a slight change in Alberta, it is still not on the other basis.

Mr. Goode: It would be true of a farm.

Mr. Rutherford: In some provinces only, Mr. Goode.

Mr. HARKNESS: How much cash would a veteran have to put up in order to get a full \$3,000 loan if he has not had any money to make improvements?

Mr. McCracken: The cost of the project whether it is building or buying land would have to be \$4,500. The director would put up \$3,000 and the veteran would put up \$1,500.

Mr. HARKNESS: In order to get the maximum loan the veteran in all cases has to put up \$1,500?

Mr. McCracken: Or have the equity for it.

Mr. HARKNESS: Now, if you had a veteran who had built barns to the value of \$3,000 and he applied for a \$3,000 loan, in order, we will say, to build more barns, could he get that \$3,000 automatically? Could he still get the \$3,000 in view of the fact he had spent \$3,000 before that?

Mr. McCracken: Yes, if the barns had increased the value of the property to that extent.

The CHAIRMAN: To the extent of \$1,500, is that right?

Mr. McCracken: Yes.

Mr. HARKNESS: The only case in which the veteran could get the full \$3,000—and that is the amount of the new improvement—is where he had made former improvements aggregating at least \$1,500?

Mr. McCracken: Yes, or provided he is prepared to put up the cash in addition.

Mr. HARKNESS: If he did that it would have to be a project which would cost \$4,500?

Mr. McCracken: That is right, sir.

Mr. HARKNESS: What I was getting at is this: how could a man be in a position to get the \$3,000 without having to go into a project which is going to cost \$4,500? The only time he could do that would be if he had already made improvement aggregating at \$1,500?

Mr. RUTHERFORD: If he were putting up cash the director would put up \$2,000 and the veteran would put up \$1,000 towards a \$3,000 proposition. But if he had sufficient earned increment in any of the forms Mr. McCracken has described he would not have to put up any cash at all.

Mr. HARKNESS: But what people would be eligible for the full \$3,000?

Mr. BENNETT: Another case would be that of a veteran who got a bargain, let us say, from his father, when he originally purchased the farm. Let us suppose he paid \$4,000 or \$5,000 for an \$8,000 farm. He has an equity and would qualify for a \$3,000 loan without putting up \$1,500 cash.

Mr. BROOKS: Would that also apply to the man whose property increased without any effort on his own part?

Mr. BENNETT: No.

Mr. HARKNESS: Would it apply also to the veteran who bought a farm for the maximum amount of the veteran's loan and in addition put up \$3,000 or \$4,000 cash at the start himself?

Mr. RUTHERFORD: Yes, he could get the full \$3,000 without any cash at all.

Mr. BENNETT: I asked the director that same question and he answered that it could not be taken into consideration because land prices go up and down and the director has to be careful.

The CHAIRMAN: Carried?

Carried.

Mr. HARKNESS: Does that explanation take in all of clause 65? In other words, this is very involved wordage. Is that not included in that?

Mr. McCracken: Subclause 2 (a) (b) and (c) take care of the earned increment, as I defined it. Subclause 2 (a) concerns the excess payment, subclause 2 (b) relates to the man who had an equity in the property at the time and subclause 2 (c) concerns the man who effected improvements to the property subsequent to the establishment.

The CHAIRMAN: I think we all must congratulate Mr. McCracken on the clear explanation he has given us. Carried?

Carried.

Clause 66, "Form of agreement". Would you explain that, Mr. McCracken?
Mr. McCracken:

It is intended that the contract relating to the additional loan shall be supplementary to and form part of the principal agreement between the veteran and the Director thereby facilitating administration.

The CHAIRMAN: Carried?

Carried.

Clause 67, "Security".

Mr. NESBITT: Although I would like to go along with the opinion that clauses 52 and 54 may not be ultra vires, it seems to me that clause 67 is clearly so. It could not come under the competency of the federal government's authority with respect to bankruptcy. This clearly provides legislation which

would conflict with the Provincial Execution Act, the Mortgages Act and other legislation regarding priority of claim, and the Registry Act. If that section is not clear it might involve the veteran in long drawn out and expensive litigation. I think we should be careful about putting clauses in like this which might involve the veterans in expensive litigation.

Mr. ENFIELD: Further to that, at this point, who has title to the land?

Mr. McCracken: The director.

Mr. ENFIELD: So it is a loan payable to himself?

Mr. McCracken: Except in the case of a section 15 situation where the veteran holds title to the land subject to a first mortgage in favour of the director. I might say, Mr. Enfield, that clause 67 is pretty much along the lines, as I understand it, of existing section 30 of the Veterans Land Act which concludes with these words: ". . . nor shall the Mechanics' Lien laws or other lien laws or the dower or homestead laws of any province extend or apply in priority or prejudice as aforesaid to said lands." The situation is that under Part I today a veteran is a tenant-at-will. It is intended that he will remain in the same category with regard to the additional loan under Part III and the agreement or contract shall be supplementary to the contract under Part I. It is all tied in together.

Mr. NESBITT: What about some claim between the original loan and this additional loan?

Mr. BENNETT: I do not think this clause would affect that.

Mr. GOODE: Is this clause in any other Act which the department has under its control at the moment or is it a brand new clause which has never been used before?

Mr. McCracken: It is very similar to what is in section 30. As far as the priority is concerned, Mr. Nesbitt, I think it is covered by clause 69, sub-clause 2.

Mr. HENDERSON: Before the director and veteran cease the relationship of the contract between them as long as the veteran has title to the land I think no one can take priority over that?

Mr. McCracken: Yes.

The CHAIRMAN: This is a protection to the veteran. In other words, while the director holds title to the land nobody in any way can put any lien or encumbrance against that land. I have known cases where—they are somewhat similar to this—the title of the land is taken by the crown in cases of improvement arising out of irrigation projects, and where they did not pay the last few dollars in order that the title might remain in the crown, in other words, this is a protection to the veteran as well as to the director. If there were litigation, as suggested, it would be the director who would have to conduct that litigation because it would be attacking his lien.

A section like this has been in the Soldier Settlement Board Act ever since it was first passed, and is of the same nature. I do not think we, in trying to uphold the interests of the veterans, should hesitate to pass legislation like this because there is a remote possibility of it being questioned in the courts.

It has been considered doubtful whether the Canada Grain Act is *intra vires* the dominion government, but it is of so much value to the farmer of western Canada that it has never been questioned. This is something of the same nature. If somebody wants to question whether it is *intra vires* the crown to expend this money in the interests of the veteran, he will have a considerable bit of litigation on his hands, but it will not be at the expense of the veteran; rather it will be at the expense of the dominion government.

Mr. NESBITT: We want to be quite sure that some veteran will not get involved in expensive litigation. The very fact that certain Acts have been on

the statute books for some years and have not been questioned does not necessarily make them *intra vires* at all. I recall the margarine question some years ago. That act was on the statute books for many years and then finally it was decided to be *ultra vires*. If the title remains in the crown in the right of the director, then what is the purpose of putting in the section at all, if this is to mean anything?

The CHAIRMAN: It also serves as notice to everybody dealing with the veteran. Anybody undertaking to try to put a lien on the veteran's land is put on notice that he has got no right to do so. If he tries it and goes into court to enforce his lien, he will be met with this declaration of the law.

Mr. NESBITT: That is true, but it is still legislating with respect to something which is strictly a provincial matter and which would be conflicting with the executions Act, the mortgages Act, the legislation Act, and all those Acts.

The CHAIRMAN: I think it has been considered that where the dominion is acting within its own jurisdiction—which I think it is in dealing with veterans, and their rights—that there is a precedent for it, just as there is in connection with the bank Act, which is a dominion Act, of course. In the case of a bank Act when the federal parliament deals strictly with banking and in doing so conflicts with provincial laws in regard to property and civil rights within the provinces, it has been laid down, time and time again, by the privy council that the dominion is quite within its rights in so legislating as banks and banking is under section 91 of the B.N.A. Act and so is *intra vires* the dominion.

Mr. NESBITT: You think that would apply in this situation as well?

The CHAIRMAN: Nobody could be sure. But it seems to me that similar legislation to this has been in force ever since the first war and has never yet been questioned. Therefore it is pretty safe for us to proceed.

Mr. BENNETT: Just think of the trouble the director would get into if you did not have a section like this.

Mr. NESBITT: I am afraid of the veteran getting himself involved in very expensive litigation.

Mr. HENDERSON: This would keep him out of it.

Mr. GOODE: You tell me there is similar legislation in some other Act. Has a veteran ever got into trouble over this law, that you know of?

Mr. McCracken: Not that I know of.

Mr. BROOKS: If the veteran should get into financial trouble, then judgment is taken against him and that judgment is recorded; and then they wait until such time as the land is taken over by the veteran to realize on the judgment. I am not talking about a mechanic's lien.

The CHAIRMAN: There is still some protection to the veteran because if a judgment is taken against the veteran and then the veteran decides to transfer his land with or without the approval of the director to another veteran, I do not think there is any provision in the judgment to attach any surplus which he might get out of it.

Mr. BROOKS: The director gives a deed to the veteran?

Mr. TUCKER: He would not have to.

Mr. WESELAKE: I had an experience where the man went into debt, and there were quite a number of registrations of judgments against him in the land titles office. In Manitoba where I come from, those registrations go into a general register and not against a parcel of land. And immediately the title came through, then those judgments attached and the transaction stopped right there.

Mr. NESBITT: Can he not say that the contract has now terminated?

Mr. McCracken: As a matter of policy, we follow the practice of not trying to let the veteran hide behind his legal position here in the Act in order to defeat his just creditors. We do not try to be trustees in bankruptcy. But, for instance, before we give a refund of surplus to the veteran, where we find there has been a judgment, or where we know that somebody has put materials into the property or a farm, for instance, we will hold up that surplus as a matter of practice for about 60 days to give the creditor an opportunity of trying to arrange a settlement with the veteran.

The CHAIRMAN: That is where somebody had advanced money which is improving the property and it would only be fair, I think, to refund that. There may be some veterans involved financially and if they delay in taking the title, this is a protection to them. I do not think there is any doubt about it. I think it is a protection not only to the director but it is some protection to the veteran until he gets established as well.

Mr. NESBITT: I would agree that it might scare somebody off, from a practical point of view.

The CHAIRMAN: Carried.

Clause 68. Does the committee wish to have it explained?

Carried.

Clause 69 "Terms of repayment, interest, etc." You might explain that, please.

Mr. McCracken:

69. Subsection (1) provides that an additional loan may be repaid over a period not in excess of twenty-five years, and, if it is made to a veteran already established, over a period not in excess of the remaining period of the existing contract.

Subsection (2) is intended to deal with section 15 (mortgage) cases and gives the Director the option of demanding repayment in full of the indebtedness under Part I and Part III if the veteran should take any action which could be considered to represent or result in a diminution of the Director's security.

In other words, if the veteran's contract has been in effect for five years out of twenty-five years, this additional loan would be repayable over a period not in excess of twenty years.

TERMS OF LOAN

69. (1) Every loan made under section 63 shall bear interest at the rate of five per cent per annum, and shall be repayable in equal instalments, as set forth in the agreement of loan, amortized over a period not greater than the period then remaining within which, under the contract referred to in section 63 or the agreement relating to the advance made under section 15 therein referred to, the veteran is required to repay his indebtedness to the Director in respect of that contract or advance.

(2) It shall be a term of every agreement of loan entered into under section 66 that, in the event of any sale, lease or other disposition by the veteran of the land upon which the Director has, by virtue of section 67, a first and paramount lien, any portion of the loan then outstanding shall, at the option of the Director, forthwith become due and payable.

Mr. HARKNESS: What was the reason for putting in a rate of interest of 5 per cent per annum?

Mr. RUTHERFORD: That is the Canadian Farm Loan Board rate.

Mr. McCracken: This additional assistance was introduced as an alternative to the assistance that the ordinary farmer could get under the Farm Improvement Loans Act, or under the Canadian Farm Loan Board Act, and they carried a rate of interest at 5 per cent.

Mr. Harkness: The thing that occurs to me is that the money which is loaned to the veteran under part I is at $3\frac{1}{2}$ per cent. I presume that the government is able to get all the money it wants at $3\frac{1}{2}$ per cent or thereabouts. This applies really to the full-time farmer. Why should you not give him a $3\frac{1}{2}$ per cent rate? It would not cost the government any money to continue the $3\frac{1}{2}$ per cent rate rather than to put in this 5 per cent rate.

Mr. McCracken: That is out of my province.

Mr. Quelch: I wonder if Mr. Bennett would mind explaining it.

Mr. Bennett: Mr. McCracken gave an explanation about the interest rate. The background for part III was that the department and the government felt that the veteran was being discriminated against. If he was already a V.L.A. man and had been settled and had improved his property, and wanted to get a loan either under the Canadian Farm Loans Board or the Farm Improvements Act, he could not get such a loan because he did not have the title to the property; whereas the civilian could get additional assistance. So this part III will enable the veteran to get a loan on the same basis and at the same rate as is applicable under the Farm Improvement Loans Act or under the Canadian Farm Loans Board Act.

Mr. Harkness: The purpose of the V.L.A. is to assist the veteran in full-time farming operations. In the small holdings, if you could help those people by means of a lower interest rate without any further cost to the tax-payer, why not do so? Why, just because the Farm Loan Board Act put in the same figure? If the circumstances existed as I have outlined, could you not put in a $3\frac{1}{2}$ per cent rate? Why could you not give them this extra assistance?

Mr. Bennett: You would be giving away some money at $3\frac{1}{2}$ per cent, and money costs, by the way, anywhere from $3\frac{1}{2}$ per cent to 4 per cent, plus the cost of administration.

Mr. Harkness: The last government loan was floated at $3\frac{1}{2}$ per cent.

Mr. Bennett: 3 and $\frac{3}{4}$ per cent I think it was, or slightly higher; and then there is the cost of administration.

Mr. Harkness: Well, suppose it is going to be 4 per cent, well and good. Why should the money not be put out at cost?

Mr. Bennett: We have had a great many complaints from veterans who said they needed additional money and complained that they could not get that money as civilians who could borrow it at 5 per cent under the Farm Improvement Loans Act. This Act is calculated to meet those complaints and to put the veteran on the same basis as the civilian.

Mr. Harkness: My basic contention is: why is it not possible, or why should it not be top policy to put out the money at cost, and if it happens to be 4 per cent, well and good.

Mr. Bennett: The cost would probably be 4 per cent or $4\frac{1}{4}$ per cent. Naturally, as a member of the opposition, Mr. Harkness, you want to give something away. We all want to help the veterans, and I think this is a fair thing.

Mr. Harkness: Mr. Chairman, I object to it being said that I want to "give something away". We do not want to do that at all. I do not see why the veteran should not get his loan at a cheaper rate just as long as it would not cost the taxpayer any money.

Mr. Bennett: What rate would you say that should be, as of now?

Mr. HARKNESS: I think it should be a maximum of 4 per cent.

Mr. BENNETT: And not more than that? What do you think it would be two months from now?

Mr. HARKNESS: It might be less two months from now.

The CHAIRMAN: Suppose the cost of money to the government is now about $3\frac{1}{2}$ per cent, with $1\frac{1}{2}$ per cent at least from the evidence we have had, as being the cost of putting out that money and collecting it back again—it seems to me that, we had evidence in the Banking and Commerce Committee that it costs between $1\frac{1}{2}$ and 2 per cent. Therefore, it would seem that it is probably costing the taxpayer about $1\frac{1}{2}$ per cent.

Mr. HARKNESS: I do not think that applies. The Veterans Land Act already has an organization set up to put out the money and collect it. And we learned that they are doing a very satisfactory job in that respect, in the brief. Therefore, I would not think that there would be any material increase in administrative costs of this extra loan that is going to be put out.

Mr. QUELCH: I think the average rate of interest on long term boards is now $3\frac{1}{2}$ per cent or lower.

The CHAIRMAN: I think it has gone down to about $3\frac{1}{4}$ per cent now.

Mr. QUELCH: If the veteran wanted to make a principal payment on his indebtedness, would he have the right to apply that principal payment to the loan bearing 5 per cent rather than to the $3\frac{1}{2}$ per cent? Would he have that right?

Mr. McCracken: We have in mind that it would be on a basis where an amount equivalent to his additional loan payment would be so applied and that then an amount equivalent to his principal loan payment at $3\frac{1}{2}$ per cent would be applicable there, and then, with the next amount which would be payable applied to the additional loan payment. We would be jumping back and forth all the way down the line.

Mr. QUELCH: I think there is something to the argument that we should keep the rate of interest down to $3\frac{1}{2}$ per cent. We considered a $3\frac{1}{2}$ per cent rate high enough when we set the Act up in 1945. At that time many of the veterans who wanted to settle were advised by the Veterans Land Act officials—and I am not criticizing them—to hold off and not to settle then but to wait a while because if they waited a few years the price of land and stock might perhaps go down. Therefore the veterans were encouraged to go to work on farms for a few years and they were told that prices would probably come down. But what happened? Prices rose instead of going down. Therefore in accepting the advice of the Veterans Land Act officials they were heavily penalised. In many cases they have not been able to buy their farms. Many farms had to be split up, and they were only able to buy a part of a farm. Then a large amount of the loan obtained was expended on the purchase of the farm or actually paid out for improvements on the farm. But if they only got a quarter section of productive land it soon became evident that really too much money had been invested in the improvements and not enough in land to produce revenue. Therefore, I think in view of that, it becomes evident that it is wise to make additional money available to buy additional land in order to make their holding more of an economical unit. It should be possible to enable them to have an additional loan at the same rate of interest that is $3\frac{1}{2}$ per cent because when many of the veterans obtained their land they had to pay a very high price. Therefore, I suggest that the rate of interest should be $3\frac{1}{2}$ per cent.

Mr. GOODE: What would happen if one of the veterans took advantage of that situation and sold to a civilian. What would happen then?

Mr. McCracken: At the present time if the property comes back on our hands, we advertise it for sale and we sell it to a civilian purchaser on a time basis. The rate of interest is that set under the Canadian Farm Loans Board, and is 5 per cent.

Mr. Goode: Now I know.

Mr. Harkness: As far as section 2 is concerned, I am in a little doubt as to what happens to a veteran if, through illness or some other cause he is not able to make a living on the farm and finds it necessary to give up working for a year or two. He may lease or rent the place for a year or two years as the case may be. It says it is the option of the director as to whether the whole agreement will be terminated or the loan become repayable. In other words, it is at the option of the director as to whether the man loses his place or not. Are there any regulations covering it, or if not, what is the practice in reference to it?

Mr. McCracken: At the present time we have veterans who face a situation where they have to leave the farm for reasons of health, or because they have re-enlisted, or because they want to acquire some additional capital. Then with our consent they lease the property. That is under subsection 2 of section 69, and it is intended to apply particularly to veterans who have received assistance under section 15, which is a proposition under which they can sell if they have the consent of the director or otherwise. This gives the director the right in such a case to adopt an option and to say, "You have sold the property and you are no longer established and the debt is now due and payable." That is the main intent of subsection 2, but in our ordinary operations the leasing of all or part of the property takes place in each province every year. If a man desires to lease a property on a long-term basis because he wants to become a gentleman farmer not even residing on or operating the property himself, I do not think ordinarily that we would agree to a lease.

Mr. Harkness: I have run into two or three cases—I did not investigate them—where veterans have told me they could not make a living on a farm and wanted to take a job but were not permitted to do so.

Mr. McCracken: We refer to those people as "absentee veterans" and the regulations provide that the director can authorize a veteran to be absent from his property for an aggregate period of two years in the first ten-year conditional grant, and with the approval of the minister a further extension can be granted in excess of that two years. Now, those cases mainly arise with regard to veterans who have re-enlisted in the armed forces or by reason of poor health on their part or on the part of a member of the family they have to go to another area. We find there is quite an exodus for instance, every once in a while when the people in Ontario move to Saskatchewan or somewhere out west, because they have asthma or something like that.

Mr. Harkness: What about the situation of a man who cannot make a full living on the farm. He puts a crop in in the spring and goes off and gets a job and then comes back and takes off the crop and then goes out and gets a winter job. These veterans claim they were not permitted to do that.

Mr. Rutherford: The veteran can be considered to be personally operating the farm, it is not necessary that he maintain residence.

Mr. Harkness: I think that is a thing which needs to be cleared up in some of the local offices. I do not think I would have had the complaints unless there was some basis for them.

Mr. McCracken: We have had considerable trouble with the absentee situation. The concept of the Act, I think, was that the man established as a full-time farmer was going to make that his full-time occupation. We had a

case where a man was a cook in a gold mine up around Yellow Knife. He flew out in the spring of the year, and put in the crop and flew out again in the summer time and did some summer fallowing. He flew out again in the fall and took the crop off. It is rather difficult in a case like that to know whether the man is an absentee veteran or is not and it boils down to a matter of a pretty fine line. Usually, however, we try to handle those cases by reaching a mutual agreement between the veteran and ourselves. We try to get him to increase the amount of work he puts on the property in order to come within the spirit and intent of the Act, anyway.

Mr. RUTHERFORD: We have a new regulation in that regard.

Mr. STROJICH: The new regulation is that he must meet certain residence or operation requirements on the property or eight years within the period of the contract. It does take care of those cases where the man has enlisted or re-enlisted for a number of years, and cases of extended illness. He is protected by the grant of an extended period of absence, providing that he executes an agreement to the effect that he will complete the residence or operation requirements of the Act after the ten-year period which had previously been required.

Mr. HARKNESS: The case I have in mind is that of a man who told I think these people are required to stay at least for six months on the farm—is there a provision to that effect?

Mr. RUTHERFORD: There is no definite annual period, sir.

Carried.

The CHAIRMAN: Now, clause 70: "Prohibition."

GENERAL

70. Notwithstanding anything in this Part, no loan shall be made under section 63 to any veteran who is in default under any contract entered into under section 10, subsection (9) of section 11 or section 23 or in respect of any advance made under section 15, or who is indebted in respect of any loan made pursuant to the *Veterans Business and Professional Loans Act*." Coming into force.

3. This Act shall come into force on a day to be fixed by proclamation of the Governor in Council.

Mr. QUELCH: I would like to ask the director if this is a hard and fast rule or whether the director has any leeway at all under this clause. Suppose a veteran had been keeping up his payments, but due to the fact that he cannot sell his grain he might be in arrears in part for one year and as a result he desires to diversify and to buy a parcel of land to enable him to keep stock. Would he have to wait to meet those payments in full before he could buy that land, or could you agree to take a bill of sale on some of the grain?

Mr. RUTHERFORD: I believe we would have to have the payments in full.

Mr. QUELCH: Would he not in a case like that be allowed to go ahead and execute a completely new agreement, when it was through no fault of the veteran himself that he could not pay, but simply because the grain could not be sold?

The CHAIRMAN: It would depend on whether you have the right to extend the time for payment under such a situation. And if you did, then he would not actually be in default, if you have the power to extend the time for payment under those contracts. The case which Mr. Quelch mentioned, as I understand it, is this: if the man sets aside a share of the crop, even though it does not make

up the full payment, he is not to be considered to be in default. If he has been unable to deliver his crop, then he is not in default. Therefore, under the contract you do not consider him in default and you could make a loan.

Mr. QUELCH: A lot of veterans went under a crop-sharing agreement, and are willing to deliver grain to meet their payments.

Mr. RUTHERFORD: If he were under a crop-share agreement that would not matter. There would be no default.

Mr. QUELCH: But the majority of the veterans are not under a crop-sharing agreement and what happens is this: they are willing to deliver their grain as payment, and therefore, in that case, could you not extend the period of time until such time as the grain can be delivered?

Mr. RUTHERFORD: We are always glad to have a veteran under a crop-sharing agreement if he can qualify.

Mr. QUELCH: You might say you are not in default upon condition that you sign a crop-sharing agreement; but the majority do not prefer to do that.

Mr. RUTHERFORD: We would give the veteran every assistance to dispose of his grain in order to bring his payments up to date.

The CHAIRMAN: Have you not the power to make new terms with the veteran if you find that due to no fault of his own he cannot pay? You do have the power to make a new contract with him, have you not?

Mr. McCracken: Whether or not we have the power to do it, we actually do it.

The CHAIRMAN: And once that is done he would not be in default any more. Therefore if you thought the veteran was deserving of it you could still help him out. I think that was what Mr. Quelch had in mind.

Mr. RUTHERFORD: We would make some arrangement, Mr. Chairman.

Mr. HARKNESS: The whole effect of the prohibition is this, that the man who most needs the help cannot get it. Suppose a fellow tries his very best on a farm where the land is not too good and he becomes in default on his payment. Would he be considered as being a good risk for help in branching out, and could he make up his previous units?

Mr. RUTHERFORD: I do not think the idea is to reinforce failure. We would have to try to help him in some other way.

Mr. HARKNESS: Suppose the fellow at first had a poor piece of land but he made some improvements on it. Would he be definitely prohibited from getting help under this section if he were in arrears?

Mr. RUTHERFORD: We have so very few in arrears that I do not think it is a factor right now.

Carried.

The CHAIRMAN: Clause 3 of the bill provides that this Act shall come into force on a day to be fixed by proclamation of the Governor in Council.

Carried?

Carried.

Now, then, Mr. Bennett informs me that there is a small technical amendment to clause 62.

Mr. BENNETT: Mr. Chairman, the Veterans Rehabilitation Act and the War Service Grants Act and the Veterans Business and Professional Loans Act contain prohibitions to the effect that if a veteran receives benefits under the Veterans' Land Act they will not be eligible for benefits under the other three Acts. This amendment confines that prohibition to veterans receiving benefits under Part I. I would move, Mr. Chairman, that clause 62 be amended to read as follows:

62. Subject to section 61, a reference to "this Act" contained in sections 6 to 44 and a reference to this Act contained in section 8 of the *War Service Grants Act*, in section 12 of the *Veterans Rehabilitation Act* and in sections 2 and 3 of the *Veterans' Business and Professional Loans Act* shall be construed as a reference to Part I of this Act.

In other words, a man can take the benefits under Part II of this Act and still receive the benefits under the other three acts.

Mr. MACDOUGALL: Agreed.

The CHAIRMAN: Carried?

Carried.

Shall the preamble carry?

Carried.

Shall the title carry?

Carried.

Shall I report the bill as amended?

Carried.

Now, tomorrow we will have the Pension Act and I think we should have a meeting of the steering committee. We can have the Pension Act meeting at 11.30 tomorrow and a meeting of the steering committee at 10.30.

Mr. MACDOUGALL: Don't forget Haile Selassie. Is he going to be here at 10.15?

Mr. GREEN: We also have a meeting tomorrow at 10.30.

The CHAIRMAN: I would have suggested that we have the meeting this afternoon, but I have not had time to examine the digest of cases which was offered by the Legion. I wanted to have a look at it. Some member of the steering committee might want to know what is in it and if any member of the steering committee wants to have a look at it I could let him have a look at it. I thought we should take a good look at it before we decide what to do with it. I think there would be time to do this before 8.30 tonight. By having the meeting then we would not conflict with this other meeting nor with the visit of His Majesty, Conquering Lion of the Tribe of Judah.

The steering committee will meet tonight then. Is that agreeable.

Some Hon. MEMBERS: Yes.

The CHAIRMAN: Then this committee will adjourn until 11.30 tomorrow morning.

The committee adjourned.

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Canada, Veterans' Affairs
Committee on, 1953-54

HOUSE OF COMMONS

First Session—Twenty-second Parliament
1953-54

SPECIAL COMMITTEE

ON

VETERANS AFFAIRS

Chairman: W. A. TUCKER, Esq.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 11

FRIDAY, JUNE 4, 1954



WITNESSES:

Mr. T. J. Rutherford, Director, Veterans' Land Act, with Mr. Arthur McCracken, Senior Administrative Officer; Mr. H. C. Griffith, Superintendent, Construction Division; Mr. H. R. Holmes, Superintendent, Securities Division.

EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1954.

REPORT TO THE HOUSE

FRIDAY, June 4, 1954.

The Special Committee on Veterans Affairs begs leave to present the following as a

THIRD REPORT

Your Committee has considered Bill No. 459, An Act to amend the Veterans' Land Act, and has agreed to report same with amendments.

A reprint of the said Bill, as amended, has been ordered.

All of which is respectfully submitted.

WALTER A. TUCKER,
Chairman.

MINUTES OF PROCEEDINGS

House of Commons, Room 430,
FRIDAY, June 4, 1954.

The Special Committee on Veterans Affairs met at 11.30 o'clock a.m. The Chairman, Mr. Walter A. Tucker, presided.

Members present: Messrs. Balcom, Bennett (*Grey North*), Brooks, Cardin, Croll, Dinsdale, Enfield, Forgie, Gauthier (*Portneuf*), Gillis, Goode, Green, Hanna, Harkness, Henderson, James, Johnson (*Kindersley*), Jones, MacDougall, Nesbitt, Pearkes, Philpott, Quelch, Roberge, Stick, Tucker, Weaver and Weselak.

In attendance: Mr. G. L. Lalonde, Assistant Deputy Minister, Mr. G. H. Parliament, Director General of Welfare Services, Mr. C. B. Topp, Chief Pensions Advocate, Mr. E. V. Wilson, Travelling Inspector, Veterans Bureau, Mr. E. J. Rider, Research Adviser, of the Department of Veterans Affairs; Mr. J. L. Melville, Chairman, Mr. Leslie A. Mutch, Vice-Chairman, of the Canadian Pension Commission; Mr. T. J. Rutherford, Director, Veterans' Land Act; Mr. D. M. Thompson, Chief Welfare Officer, Canadian Legion, B.E.S.L.

The following Report of the Sub-committee on Agenda and Procedure was read by the Clerk:

The Sub-Committee on Agenda and Procedure met at 8:30 o'clock p.m., Thursday, June 3, when the following members were present: Messrs. Bennett (*Grey North*), Brooks, Gillis, Green, Quelch, Roberge and Tucker (*Chairman*).

Your Sub-Committee reviewed a document presented on the previous day by Mr. Thompson, on behalf of the Canadian Legion and described by the witness as Exhibit "B". After careful consideration the Sub-Committee came to the conclusion, and it so recommends, that the said document be not printed but filed.

Your Sub-Committee further recommends:

- (a) that at 11:30 o'clock a.m., Friday, June 4, the Committee resume clause by clause consideration of Bill 339, An Act to amend the Pension Act, and if that be not completed at 1 o'clock p.m. said consideration be continued on the Monday following;
- (b) that the Committee sit again at 3:30 p.m., Friday, June 4, for the purpose of re-opening the study of Bill 459, An Act to amend the Veterans' Land Act, in the light of further proposed amendments to the said Bill;
- (c) that the clerk communicate at once with Mr. A. J. Heide, National Secretary of the Canadian Merchant Navy Veterans' Association, to inform him that the Committee will hear his Association's submission, if they so desire, on Monday next.

All of which is respectfully submitted.

WALTER A. TUCKER,
Chairman.

On motion of Mr. MacDougall, the said Report was agreed to with the reservation that should the study of Bill 339, An Act to amend the Pension Act, not be completed today, the Committee meet next Monday at 8.00 o'clock p.m. to again deal with and complete this matter. The hearing of the representatives of the Canadian Merchant Navy Veterans' Association to be deferred, if necessary, until Tuesday, June 8.

The said Report, as amended, was adopted.

The Committee then proceeded with the consideration of those of the clauses of Bill 339, An Act to amend the Pension Act, which were previously stood over.

On Clause 2, Mr. Bennett (*Grey North*), moved that the said clause be amended by striking out sub-clause (1) thereof and substituting therefor the following:

(1) Subsection (11) of section 3 of the said Act is repealed and the following substituted therefor: "(11) Chairman, Deputy Chairman, the other commissioners and the ad hoc commissioners shall each be paid a salary to be fixed by the governor in council, except that the salary to be paid to the ad hoc commissioners and the said other commissioners shall be fixed at the same rate.

Whereupon, Mr. Green moved in amendment to the proposed amendment of Mr. Bennett that the whole of Clause 2 of Bill 339 be deleted.

And after extended debate thereon, the question having been put on the proposed sub-amendment of Mr. Green, it was resolved in the negative on the following recorded division:

Yeas: Messrs. Brooks, Dinsdale, Gillis, Goode, Green, Harkness, Johnson (*Kindersley*), Jones, Nesbitt, Pearkes, Quelch.—(11)

Nays: Messrs. Balcom, Bennett (*Grey North*), Cardin, Croll, Enfield, Forgie, Gauthier (*Portneuf*), Hanna, Henderson, James, MacDougall, Philpott, Roberge, Stick, Weaver, Weselak.—(16)

And the question having been put on the proposed amendment of Mr. Bennett (*Grey North*), it was, on a show of hands, resolved in the affirmative on the following division: Yeas: 16; Nays: 10.

Clause 2, as amended, was passed.

On Clauses 8 and 13, Mr. Bennett (*Grey North*), explained that these two clauses were tied in together and he moved that both clauses be deleted.

And the discussion on Clauses 8 and 13 still continuing, the said discussion was adjourned to 8.00 o'clock p.m. until Monday, June 7, 1954.

At 1.15 o'clock p.m., the Committee adjourned to meet again at 3.30 o'clock in the afternoon.

AFTERNOON SITTING

The Committee met at 3.30 o'clock p.m. The Chairman, Mr. Walter A. Tucker, presided.

Members present: Messrs. Balcom, Bennett (*Grey North*), Brooks, Cardin, Dinsdale, Enfield, Forgie, Gillis, Goode, James, Johnson (*Kindersley*), Jones, MacDougall, Pearkes, Philpott, Quelch, Roberge, Stick, Tucker, Weaver, and Weselak.

In attendance: Mr. G. L. Lalonde, Assistant Deputy Minister, Mr. G. H. Parliament, Director General of Welfare Services, Mr. E. J. Rider, Research Adviser, of the Department of Veterans Affairs; Mr. T. J. Rutherford, Director, Mr. A. D. McCracken, Senior Administrative Officer, Mr. H. C. Griffith, Superintendent, Construction Division, Mr. H. R. Holmes, Superintendent, Securities Division, Mr. W. Strojich, Superintendent, Property Division, Mr. W. G. Wurtele, Chief Treasury Officer, of the Veterans' Land Act; Mr. D. M. Thompson, Chief Welfare Officer of the Canadian Legion, B.E.S.L.

On motion of Mr. Goode,

Resolved—That the order to report Bill 459, An Act to amend the Veterans' Land Act, passed on the previous day, be rescinded and the Committee proceed to further consider the said Bill in the light of the new proposed amendment.

On motion of Mr. Bennett (*Grey North*),

Resolved—

That Bill 459, An Act to amend the Veterans' Land Act, be further amended by renumbering clauses 2 and 3 thereof as clauses 10 and 11 respectively, and by adding thereto, immediately after clause 1 thereof, the following clauses;

Clause 2.

Section 9 of the said Act is repealed and the following substituted therefor:

The Director shall, for the purposes of this Act, determine the cost to the Director of the land and improvements thereon, building materials, livestock and farm equipment to be sold to a veteran under this Act, which shall be not less than the amount actually expended by the Director therefor.

Explanatory Note

Section 9 now reads as follows:

The Director shall for the purposes of this Act determine the cost to the Director of the land and improvements thereon, building materials, livestock and farm equipment to be sold to a veteran under this Act, which shall not be less than the amount actually expended therefor.

This amendment to section 9 will make it clear that it is unnecessary for the Director, when computing the cost of a property (and thereby fixing the sale price to a veteran), to include in that computation any expenditure on or with respect to the property previously made by any other department of government.

This is the practice which has been followed since inception of operations and the amendment, therefore, is for the purpose of not only confirming such practice but of "clarifying" the point as raised by the Auditor General in his report for the year ending March 31, 1951.

The types of case involved are: :

- (a) Purchase of Surplus Buildings from War (Crown) Assets;
- (b) Purchase of Aerodromes, Emergency and Relief Landing Fields, etc.;
- (c) Purchase of Japanese Lands;
- (d) Irrigation projects where P.F.R.A. made financial contribution.

It is not considered that the amendment will have any effect other than to "clarify" the practice that has always been followed.

Clause 3. (1)

Subsection (2) of section 10 of the said Act is repealed and the following substituted therefor:

In this Act, except in subsection (3) of this section, the expression "livestock and farm equipment", in the case of a veteran certified by the Director to be a commercial fisherman, includes commercial fishing equipment.

Explanatory Note

Subsection (2) of section 10 now reads as follows:

(2) Subject to the provisions of this Act and the regulations, the Director may contract with a veteran certified by him to be qualified to participate in the benefits of this Act for the sale to such veteran of land and improvements thereon, building materials and commercial fishing equipment up to a total cost to the Director of six thousand dollars subject to the same conditions set forth in subsection (1) with the words "commercial fishing equipment" substituted for the words "livestock and farm equipment" wherever they occur therein.

The wording of existing subsection (2) of section 10 provides that the Director contracts under its provisions with a veteran settled as a commercial fisherman. Subsection (4) of section 10, however, does not refer to contracts entered into under subsection (2) with the result that, technically, commercial fishermen are not subject to the ten-year conditional grant period.

In addition, and lacking any general provision that livestock and farm equipment includes commercial fishing equipment, there is a deficiency in sections 9, 11 and 13. The proposed amendment, by supplying a general provision that livestock and farm equipment does include commercial fishing equipment, not only cures the omission in subsection (4) of section 10 but the deficiencies in sections 9, 11 and 13.

Clause 3. (2)

Paragraph (g) of subsection (3) of the said section 10 is repealed and the following substituted therefor:

(g) that livestock and farm equipment shall be sold under this subsection only to a veteran who at the time of such sale *enters into a contract under this subsection or has a subsisting contract under this subsection for the purchase of land from the Director or who occupies land under a rental or purchase agreement satisfactory to the Director*, and the cost to the Director of such livestock and equipment shall not exceed forty per cent of

- (i) the cost to the Director of the land, improvements and building materials sold to the veteran, and
- (ii) the value of *any* land occupied by *that* veteran under a rental or purchase agreement as estimated by the Director.

Explanatory Note

Paragraph (g) of subsection (3) of section 10 reads as follows:

(g) that livestock and farm equipment shall be sold under this subsection only to a veteran who at the time of such sale buys land from the Director or who occupies land under a rental or purchase agreement satisfactory to the Director, and the cost to the Director of such livestock and equipment shall not exceed forty per cent of

- (i) the cost to the Director of the land, improvements and building materials sold to said veteran, or
- (ii) the value of the land occupied by a veteran under a rental or purchase agreement as estimated by the Director.

The present language seems to restrict financial assistance for purchase of livestock and farm equipment to veterans who contemporaneously with their application for financial assistance for that purpose buy land from the Director or are occupying suitable land as tenants or purchasers. The amendment extends the privilege to those already settled under this section who need additional livestock and equipment. The change of "or" to "and" gives cumulative effect to subparagraphs (i) and (ii).

CLAUSE 3. (3)

The said section 10 is further amended by adding thereto, immediately after subsection (4) thereof, the following subsection:

(4a) Notwithstanding subsection (4), at any time after the expiration of the ten year period referred to in subsection (4), a veteran who has complied with the terms of his agreement for that period and is not otherwise in default thereunder may, with the consent of the Director, assign the agreement to any person; and, notwithstanding anything in this Act or the agreement, the interest payable by any assignee of any such agreement from and after the date of the assignment on any remaining indebtedness to the Director under that agreement shall be at the rate of five per cent per annum.

Explanatory Note

Subsection (4) of section 10 now reads as follows:

(4) In the case of any contract made between the Director and a veteran under subsections (1) and (3) save upon payment in full to the Director of the total outstanding cost to the Director of the land, improvements, livestock and farm equipment together with interest at the said rate on the said outstanding cost and all other charges owing by the veteran in respect thereof, no sale, assignment, or other disposition of the subject-matter of a contract between a veteran and the Director shall be made by the veteran, nor shall a conveyance or transfer be given by the Director to a veteran during a period of ten years following the date of the relative contract and thereafter only if the veteran has complied with the terms of his agreement for the said ten-year period.

This new subsection provides that, after the end of the ten-year conditional grant period, and with the consent of the Director, a veteran may assign his Agreement of Sale to any person. It also provides that, if a veteran does assign his agreement, the rate of interest payable by the assignee on the remaining debt to the Director will be five per cent.

CLAUSE 4. (1)

Paragraph (b) of subsection (8) of section 11 of the said Act is repealed and the following substituted therefor:

(b) "proceeds" in the case of a contract for the sale of land, improvements or building materials to a veteran certified by the Director to be qualified to participate in the benefits of this Act, means an amount equal to the cost to the Director of such land, improvements or building materials determined for the purposes of such contract under section 9 plus any amount, other than the ten per cent of such cost, paid by the veteran under paragraph (b) of subsection (1) or paragraph (c) of subsection (3) of section 10; in the case of a contract for the sale of livestock or farm equipment to such a veteran, means an amount equal to the amount that the veteran would be required to pay under subsection (4) of section 10 for an immediate transfer thereof; in the case of a sale or other disposition of property *except timber* to any other

person means the amount received; and in the case of a sale of timber to any person means the stumpage value of that timber, as determined by the Director.

CLAUSE 4. (2)

The said section 11 is further amended by adding thereto the following subsection:

(12) Notwithstanding anything in this section, the Director may pay to a veteran, in the event of any sale of timber from land sold to that veteran under a contract entered into under this Act, any amount by which the amount for which the timber was sold exceeds the stumpage value of that timber as determined by the Director.

Explanatory Note Re Clauses 4. (1) and (2).

Paragraph (b) of subsection (8) of section 11 now reads as follows:

(b) "proceeds" in the case of a contract for the sale of land, improvements or building materials to a veteran certified by the Director to be qualified to participate in the benefits of this Act, means an amount equal to the cost to the Director of such land, improvements or building materials determined for the purposes of such contract under section 9 plus any amount, other than the ten per cent of such cost, paid by the veteran under paragraph (b) of subsection (1) or paragraph (c) of subsection (3) of section 10; in the case of a contract for the sale of livestock or farm equipment to such a veteran, means an amount equal to the amount that the veteran would be required to pay under subsection (4) of section 10 for an immediate transfer thereof; and in the case of a sale or other disposition of property to any other person means the amount received.

The purpose of this amendment is to "legalize" the policy and procedure followed by the Director in the sale of timber where the veteran does the cutting. The Auditor General commented on this point in his report for the year ending March 31, 1951 and, while acknowledging the fairness and soundness of giving a veteran allowance for labour, also indicated there should be legislative provision for so doing.

CLAUSE 5

Section 15 of the said Act is amended by adding thereto the following subsection:

(2) Where any land subject to a first mortgage or hypothec in favour of the Director as described in subsection (1) is sold or agreed to be sold by a veteran, notwithstanding anything in this Act or the mortgage or hypothec the interest payable from and after the date of such sale or agreement of sale on any remaining indebtedness to the Director under the mortgage or hypothec or under any other mortgage or hypothec taken to secure repayment of the amount then outstanding of any advance made under subsection (1) shall be at the rate of five per cent per annum.

Explanatory Note

The amendment to section 15 increases from 3½ to 5% the interest rate payable by the purchaser on the remaining debt to the Director in each case where the veteran who is established under section 15 sells the property subject to the first mortgage in favour of the Director.

CLAUSE 6

Section 18 of the said Act is repealed and the following substituted therefor:

18. (1) There shall be *one or more* provincial advisory boards in each province appointed by the Governor in Council, *each Board being* comprised of three members; the chairman shall be a judge of a county or district court of the province in which such board operates, or in the Province of Quebec a judge of sessions of the peace, and one member shall be nominated by the Canadian Legion.

(2) The Director, before taking any action or proceedings under subsection (1) of section 19, shall, upon due notice to the veteran concerned, refer the question of rescission in any case to the *appropriate* advisory board in the province in which the land concerned is situated, for its consent as to whether the default in performance of the agreement warrants the Director in exercising the powers given him under the said subsection or as to the remedial conditions to be fulfilled by the veteran, in default of compliance with which rescission of the agreement may ensue.

Explanatory Note

Section 18 now reads as follows:

18. (1) There shall be a provincial advisory board in each province appointed by the Governor in Council, comprised of three members; the chairman shall be a judge of a county or district court of the province in which such board operates, or in the Province of Quebec a judge of sessions of the peace, and one member shall be nominated by the Canadian Legion.

(2) The Director, before taking any action or proceedings under subsection (1) of section 19, shall, upon due notice to the veteran concerned, refer the question of rescission in any case to the advisory board of the province in which the land concerned is situated, for its consent as to whether the default in performance of the agreement warrants the Director in exercising the powers given him under the said subsection or as to the remedial conditions to be fulfilled by the veteran, in default of compliance with which rescission of the agreement may ensue.

The amendment to section 18 is to permit the appointment of more than one advisory board in any province if the need should arise and to cover the situation in the Province of Quebec where, in fact, there are two boards.

CLAUSE 7

Subsection (2) of section 19 of the said Act is repealed and the following substituted therefor:

(2) The Director may *with the consent* of the veteran and without giving the notice required by subsection (4) rescind *or otherwise terminate* any contract made with the veteran under this Act.

Explanatory Note

Subsection (2) of section 19 now reads as follows:

(2) The Director may by agreement with the veteran and without giving the notice required by subsection (4) rescind any contract made with a veteran under this Act.

The purpose of this amendment is twofold:

(a) To correct a doubt that the word "agreement" does not mean a simple verbal agreement between the veteran and the Director wherein

the veteran agrees to execute, and the Director agrees to accept a quit claim deed but, rather, that it means execution by both the veteran and the Director of a formal, official document. In order to remove this doubt and facilitate administration, it is proposed to delete the words "by agreement with" and substitute the words "with the consent of".

(b) To permit the Director to terminate a mortgage under section 15 by acceptance of a conveyance and quit claim deed from a veteran rather than have to take foreclosure action in each instance.

CLAUSE 8. (1)

Subsection (1) of section 21 of the said Act is repealed and the following substituted therefor:

21. (1) Where a contract made by the Director with a veteran under this Act is rescinded or otherwise terminated and the property *to which the contract relates is sold* by the Director for more than the amount owing under the contract, the surplus shall be paid by the Director to the veteran, but in the case of any such sale on a term basis under an agreement of sale, the surplus shall be paid by the Director to the veteran at such time as the Director determines such payment to be warranted having regard to the amount then owing to him in respect of that property.

Explanatory Note

Subsection (1) of section 21 now reads as follows:

21. (1) Where a contract made by the Director with a veteran is rescinded or otherwise terminated and any property that was sold by the contract is re-sold by the Director for more than the amount owing under the contract, the surplus shall be paid by the Director to the veteran.

Although the present wording of section 21 (1) makes the payment of a surplus obligatory, it does not state when such payment shall be made. The proposed amendment, therefore, expresses the long-time policy and procedure followed by the Director; i.e.,

(a) when reverted property is sold for cash, any surplus resulting from such sale is paid to the veteran immediately;

(b) when a reverted property is sold by agreement of sale on a term basis over a period of years, any accounting surplus which may be due a veteran is only paid, either in whole or by instalments, as and when the margin of security (as represented by the difference between the present day value and the remaining debt to the Director) is considered to be such as to warrant payment.

CLAUSE 8. (2)

Paragraph (a) of subsection (2) of the said section 21 is repealed and the following substituted therefor:

(a) the amount that the veteran would have been required to pay for a transfer, conveyance or discharge of mortgage or hypothec at the date of the rescission or other termination of the contract;

Explanatory Note

Paragraph (a) of subsection (2) of section 21 now reads as follows:

(a) the amount that the veteran would have been required to pay for a transfer or conveyance at the date of the rescission or other termination of the contract;

Paragraph (a) of subsection (2) provides authority for the Director to pay a surplus to a veteran whose mortgage was terminated other than by foreclosure action. It is consequential upon the amendment proposed to subsection (2) of section 19.

CLAUSE 8. (3)

The said section 21 is further amended by adding thereto the following subsection:

(4) In the event of any sale by the Director, pursuant to an agreement entered into by him with a veterans for the making of a grant under subsection (3) of section 38, of any livestock, machinery or equipment referred to in paragraphs (c) to (g) of subsection (4) of that section, any amount by which the amount realized by the Director in respect of that sale exceeds

(a) the cost to the Director of the livestock, machinery or equipment, and

(b) any loss sustained by the Director in respect of the land to which that agreement relates,

shall be paid by the Director to the veteran."

Explanatory Note

The Agreements with the Provinces concerning settlement on provincial lands under the provisions of section 38, make provision for the payment of any surplus which may materialize in the sale of the real property. No such provision is made, however, with respect to any surplus which may result from the sale of chattels which the Director repossessed upon abandonment of the property by the veteran.

CLAUSE 9.

Section 33 of the said Act is repealed and the following substituted therefor:

33. Affidavits, oaths, statutory declarations or solemn affirmations required to be taken or made for the purposes of this Act, may be taken or made before the judge or clerk of any court, any justice of the peace, commissioner for taking affidavits,

As the above amendments to the said Bill were under consideration, Messrs. Rutherford, Holmes, McCracken and Griffith were called and questioned thereon.

The said Bill, as further amended, was adopted and ordered to be so reported to the House.

The Chairman extended the Committee's thanks to Mr. Rutherford, Director, and other officials of the Veterans' Land Act Administration, for their valuable contribution to the work of the Committee.

At 4.15 o'clock p.m., the Committee adjourned to meet again at 8.00 o'clock p.m., Monday, June 7, 1954.

A. CHASSÉ,
Clerk of the Committee.

EVIDENCE

June 4, 1954.
11.30 a.m.

The CHAIRMAN: Order, gentlemen. The first item of business is the report of the steering committee and I now call upon the clerk of the committee to read that report.

The CLERK:

SPECIAL COMMITTEE ON VETERANS AFFAIRS REPORT OF SUBCOMMITTEE ON AGENDA AND PROCEDURE

The subcommittee met at 8.30 o'clock p.m., Thursday, June 3rd, when the following members were present: Messrs. Bennett (Grey North), Brooks, Gillis, Green, Quelch, Roberge and Tucker (*Chairman*).

Your subcommittee reviewed a document presented on the previous day by Mr. Thompson, on behalf of the Canadian Legion and described by the witness as Exhibit "B". After careful consideration the subcommittee came to the conclusion, and it so recommends, that the said document be not printed but filed.

Your subcommittee further recommends:

- (a) that at 11.30 o'clock a.m., Friday, June 4th, the committee resume clause by clause consideration of bill 339, An Act to amend the Pension Act, and if that be not completed at 1 o'clock p.m. said consideration be continued on the Monday following;
- (b) that the committee sit again at 3.30 p.m., Friday, June 4th, for the purpose of re-opening the study of Bill 459, an Act to amend the Veterans' Land Act, in the light of further proposed amendments to the said bill;
- (c) that the clerk communicate at once with Mr. A. J. Heide, National Secretary of the Canadian Marchant Navy Veterans' Association, to inform him that the committee will hear his association's submission, if they so desire, on Monday next.

All of which is respectfully submitted.

WALTER A. TUCKER,
Chairman.

The CHAIRMAN: Perhaps I should first explain to the committee that you authorized me to report the Veterans' Land Act bill. But after that decision was made I was informed that there were some amendments to part I which were described as more or less clarifying and tidying up amendments which were desired to be put through if possible.

So I took the liberty of not reporting the bill as instructed by you, in the hope that you would agree to it being re-opened and the further amendments considered as recommended by the steering committee.

Those amendments, I believe are mimeographed and are available for the committee and it was decided by the steering committee that we consider them this afternoon.

There is one other matter: namely that the steering committee met last night and decided that we meet on Monday. But since then there was a

conference in regard to the meeting of the banking and commerce committee and the meeting of the veterans affairs committee this morning. It was going to be very difficult to hold both meetings at the same time. Therefore, Mr. Croll, chairman of the banking and commerce committee was good enough to agree to postpone his meeting until Monday; and it was thought that as he was giving way today that the veterans affairs committee should give way on Monday.

We knew nothing about that when we met in the steering committee, but if the committee is willing to agree to it, we might have a motion to agree to the report with the understanding that we substitute Tuesday for Monday as the day of meeting next week.

Mr. MACDOUGALL: I so move, Mr. Chairman.

Mr. BENNETT: Could we delay that decision until we see how we get along today? Perhaps we could take that matter up this afternoon.

The CHAIRMAN: Well, we will adopt the report of the steering committee with the decision to meet on Monday left open. Is that agreeable?

Mr. MACDOUGALL: In that case, I withdraw my motion.

Mr. BROOKS: I agree to that with the understanding that there will be a meeting this morning and this afternoon and a third meeting at some time next week as early as possible.

The CHAIRMAN: I do not know for sure what Mr. Bennett had in mind, but I thought that if we did not get through with the pension bill—and we were almost through with it—that in order to let Mr. Melville get away next week we might sit an extra half hour at some time or other.

Mr. BENNETT: That is what I had in mind. Mr. Melville hopes to go abroad leaving on Wednesday, and I thought that if we did not finish with the pension bill this morning we could sit for a half hour at some time on Monday when the banking and commerce committee was not sitting.

Mr. BROOKS: That would be very satisfactory.

The CHAIRMAN: There is a motion to accept the report of the steering committee. Mr. Bennett so moves with the proviso that the question of whether we should meet on Monday be left for a decision at a meeting later in the day. Is that satisfactory?

Mr. GOODE: What about the Merchant Seamen, can you put them off? Did you not say that they were to come on Monday?

The CHAIRMAN: The clerk had a wire ready to send to them when I told him about this difficulty with the banking and commerce committee, and I think he managed to stop the sending of the wire. I think that the only meeting we should have on Monday, under the circumstances, is to clean up the pension bill if necessary, and that we should amend the decision about hearing the Merchant Seamen on Monday.

Now, as I remember it, the steering committee thought we should hear them on Monday, but I do not suppose there is any objection to telling them that we could hear them on Tuesday. You suggested Monday as the day, Mr. Green. Have you any objection to letting them know that we could hear them on Tuesday?

Mr. GREEN: No, I think that is a very reasonable suggestion.

The CHAIRMAN: What will likely happen is, that if we do not get through with the Pension bill at the meeting this morning, we may be able to arrange a meeting some time which will not conflict with the banking and commerce committee on Monday, but we will only deal with the pension Act at that time and we will hear the Seamen on Tuesday if they want to come. If they do not want to come, we will probably consider our report on Tuesday. But

all we shall try to do on Monday is to finish the Pension bill if we can work it in without conflicting with the banking and commerce committee. Is that satisfactory?

Agreed.

We will now start on the Pension Act. The first was clause 2. Mr. Melville and Mr. Mutch are here.

Mr. MACDOUGALL: Did we not deal with clause 2 and clause 1 the other day?

The CHAIRMAN: No, clause 2 was stood over.

Mr. BENNETT: I would like to move an amendment to clause 2. I move that it be amended by striking subsection (1) thereof and substituting therefor the following:

2. (1) Subsection (11) of section 3 of the said Act is repealed and the following substituted therefor: "(11) Chairman, Deputy Chairman, the other commissioners and the ad hoc commissioners shall be paid a salary to be fixed by the governor in council, except that the salary to be paid to the ad hoc commissioners and the said other commissioners shall be fixed at the same rate".

The object of the amendment is to make sure that all the commissioners are paid the same salary with the exception of the deputy chairman and the chairman.

Mr. GREEN: You said: "at the said rate". Should you not have said "at the same rate"?

The CHAIRMAN: Yes, you said: "at the said rate" it should be: "at the same rate".

Mr. BENNETT: "at the same rate", yes.

Mr. GREEN: Mr. Bennett's amendment starts out as "Section 3."

Mr. BENNETT: No. I corrected that. I said "Section 2."; it was typed wrong.

Mr. GREEN: As the members of the committee know, there was a debate about this particular clause in the House; the effect of the clause as it was presented in the House, that is, in the original bill, was to take away from parliament the right to set the salaries of the commissioners and place that right in the governor in council. The amendment moved by Mr. Bennett is, to all intents and purposes, the same as the original clause of the bill, except that it has a provision that the commissioners shall all be paid at the same rate.

I do not think anybody questions the fact that the commissioners should be paid at the same rate. That may have been brought forward during the debate as an argument against the clause as originally submitted in the bill, but this amendment really does not touch the root of the problem. It does not begin to deal with the objections which were taken in the House.

I believe that this question is one of the most important questions that could be brought up in connection with pensions in Canada for disabled veterans. I think this change is fundamental and I am very much opposed to it. When the original Pension Act was passed in 1919—that is 35 years ago—the salaries of the chairman and the ordinary commissioners were written into the Act. They have been changed on several occasions since that time but always by an amendment to the Act. The amending bills, since I have been in the House, have been referred to the Select Committee on Veterans Affairs which was sitting at that time, and this question of the salaries to the commissioners has been considered by the committee along with the other clauses of the amending bills. And then, of course, the changes in legislation have been duly enacted.

Here we have a proposal to take that power away from parliament and put it in the hands of the Governor in Council which means there is no effective consideration in parliament of any increase or, incidentally, any decrease in the salaries. The only way that the increase or decrease could be considered would be when the estimates of the Department of Veterans Affairs come up in the session following the time that a change had been made. Therefore, there would be very little effective debate about the question. The changes would have been made—they would be a “fait accompli”—and there really would not be a great deal of point in discussing them, and any discussions in the House would be of a very random nature and that, I believe, is not good enough.

It is, I admit a very convenient way for the government to increase the salaries of the pension commissioners with a minimum of publicity. It does serve that purpose; they can raise the salaries with a minimum of publicity and with as little consideration by the members and the veterans' organizations of Canada and by the veterans themselves, as can be achieved. That is a very retrograde step in veterans' legislation.

These salaries were set by statute in order to make the pension commission independent of the government and to make them a judicial body; they were set in just the same way as judges' salaries are set by statute and not by order in council and in the same way that the salaries of the Board of Transport Commissioners are set by parliament and not by order in council; and if you will look at the War Veterans Allowance Act you will find that the salaries of the War Veterans Allowance Board are set out in the legislation.

Such procedure does a great deal to strengthen the position of the pension commission with the veterans of Canada. The pension commissioners know at the present time that they are under parliament and not under the government and only parliament can make a change in their salaries. How would we like it if the judges' salaries in this country were to be set by order in council?

Mr. GILLIS: That will be next.

Mr. GREEN: That could very well be. There always is a little trouble when they try to raise the judges' salaries and there may be trouble this year when they again try to raise them. This is a convenient way of avoiding such trouble, of avoiding debate in the House by having the salaries boosted by order in council rather than by an amendment to the statute. The pension commissioners are in a difficult position with the veterans under the best of circumstances. They are a governmental body and they rule against veterans sometimes. Many veterans feel they do not get a fair deal just because this is a commission set up by the government. There is quite an agitation to have an appeal from the pension commission to the courts because it is felt in that way the veteran would at least be sure he got a fair hearing.

Now, let us not make the pension commission less independent than it is at the present time by doing away with this control by parliament and placing the control in the hands of the cabinet. You will find in the Pension Act just how far parliament went—I think dating back to 1919—in each case to assure the independence of the commission in the following provisions. Section 4 of the Pension Act reads as follows:

The commission shall be attached to the department,... and notice it is not made part of the department, it is attached to the department—“... and the expenses required to be incurred for the discharge of its duties shall be paid out of the moneys provided by parliament.”

Then we turn to section 5 of the Pension Act, subsection 1, “Jurisdiction of Commission,” which reads as follows: “Subject to the provisions of this Act and of any regulations, the commission has full and unrestricted power

and authority and exclusive jurisdiction to deal with an adjudicate upon all matters and questions relating to the award, increase, decrease, suspension or cancellation of any pension under this Act and to the recovery of any overpayment that may have been made; and effect shall be given by the department and the Comptroller of the Treasury to the decisions of the commission." This shows an attempt to set up this commission as an independent body.

Subsection 5 of section 5 reads as follows: "The commission shall determine any question of interpretation of this Act and the decision of the commission on any such question is final.

Here you have this commission, quite apart from deciding on cases, given complete jurisdiction to interpret this Act. If there is a question as to whether a section of the Act means this or means that, the commission is given absolute jurisdiction to decide what the interpretation is to be. There again you have the attempt to make it a judicial body.

The side note to section 6 of the Pension Act says, "Additional duties." Section 6 reads as follows: "The Governor in Council may impose upon the commission like duties in respect of any grants in the nature of pensions, allowances or gratuities authorized to be made under any statute other than this Act and effect shall be given to any adjudication by the commission under any such Act either by the Department or such other Department of government as the Governor in Council may direct."

Under that section the pension commission could be given jurisdiction over old age assistance, for example, and could be given full jurisdiction over these other measures, and in that event effect would have to be given to their adjudication by the Department of National Health and Welfare. You will notice that this section says: "...effect shall be given to any adjudication by the commission under any such Act either by the department or such other department of government as the Governor in Council may direct." Now there can be no doubt that the commission was set up as a judicial tribunal in the same way as the Exchequer Court or the Supreme Court of Canada or the courts across this land. I think that it would be a great mistake if this committee failed to recognize that fact and approved of the proposed clause or the amendment which has just been moved by the parliamentary assistant.

Then there is another feature. This change is belittling parliament. After a great deal of pressure from all parts of the country, in addition to pressure from members of the House, including members on the government side of the House, the Emergency Powers Act has been allowed to expire. We have done away with the provision for governing this country in such a wide field by order in council. That is or should be the trend at the present time in parliament, to cut down on legislation by order in council. Yet here in the Pension Act, which is the Magna Carta for over a million Canadians who were willing to offer their lives to help protect this country, we are putting this part of the Act under order-in-council control, taking away control of parliament over this very important part of the Act. I submit that in the interests of a free parliament in this nation this clause should be deleted.

I will close with the submission of the Legion on this proposed clause. It is found at page 9 of their brief. Incidentally, the National Council, while they did not come out as strongly as the Legion, have a big "if" in the very first page on this clause. They are obviously worried about it as well. Here is what the Legion had to say:

The Canadian Legion looks upon section 2 of Bill 339 as a serious potential infringement of one of the basic principles of the Canadian Pension Act.

The original, and I think the continuing intention of the Act, was that the Canadian Pension Commission be as independent as parliament can make it. This is as it should be.

After all the whole basis of our veteran and pension legislation rests on the conscience of the Canadian people who express their wishes through you their elected representatives. Parliament guards that trust, and indeed it is for the express purpose of executing the trust that the committee of parliamentary members meet here today.

But section 2 takes away from parliament the right to establish the quantum of salaries to be paid the pension commission and gives the right to the cabinet.

We feel that this is a definite move against the autonomy of the pension commission, an autonomy which was established by parliament and must be protected by parliament.

The salaries of the judges of our courts are fixed by parliament. That is admittedly necessary for the safe functioning of our courts. We are confident that any attempt to make or to have the judges' salaries fixed by the executive branch of government would cause a mighty outcry across the nation.

We contend that the pension commission is also a judicial body, and as such it is important that it be left so far as possible in a position that it is answerable to parliament alone. We, therefore, most strongly urge upon the committee that the time tests and vital principles by which the pension commission salaries are fixed by parliament should be retained. We feel most strongly that parliament must continue to control in every possible way the administration of the Canadian Pension Act.

One final word: the existence of the government is not at stake on this question. Members who support the government need not feel that if they vote down clause 2 of this bill they are defeating the government, because that is not the case. Any of the clauses of this bill can be changed in this committee without defeating the government. In other years this Veterans Affairs committee did not hesitate to unite to oppose clauses in a bill where they thought those clauses were not in the best interests of the veterans. I hope that this committee will use that same standard now. This change cannot be considered as benefiting the veterans of the country in any way, shape or form. I do not think that any member of this committee can argue that this change is of any benefit to the veteran. It may be of benefit to the commission, or it may be of benefit to the Governor in Council, but it certainly is of no benefit to the veteran. I can only express the hope, as one who has been privileged to sit on every Veterans Affairs committee since 1936, that this committee will follow the precedent set by earlier committees and recommend against this particular change.

I move, as a subamendment to the amendment, Mr. Chairman, that the whole of clause 2 of the bill be deleted.

The CHAIRMAN: Now we have an amendment from Mr. Green, which would be to the effect that the whole of clause 2 of the bill be struck out. Now, the question is on the sub-amendment. Mr. Goode.

Mr. GOODE: I do not know that this committee, Mr. Chairman, needs an invitation from Mr. Green for government members of this committee to vote as they see fit. I also say to you that if each member of the committee is going to take as much time as Mr. Green has taken we will be through here in September.

But he has some points that are important and I am going to agree with him. I have viewed with alarm for some time the fact that parliament is gradually losing its power over departments of government that should come

under parliament. It is my view that unless this amendment is changed by the parliamentary assistant, it takes the pension commission further away from parliament than parliament expects these departments to be. I do not know of any commission under parliament at the moment that is closer to the veterans of the country. If this clause is passed, it will be a progressing step, as Mr. Gillis mentioned this morning; each one of the powers is going to be taken away from the House of Commons and going to be placed in the hands of the cabinet. I think an explanation should come from the department as to why this is being done. I, frankly, am not happy with it and I will vote against the clause until, or unless, I hear a better explanation than we have heard on this. Now, as far as I am concerned the chairman and the vice-chairman of the commission are here and any of the remarks I have made are not unsympathetic to them and they know it. I think this commission is one of the most valuable arms of government that I know, but I have said in this committee that I cannot agree with some views expressed by the commission. I believe that the pension commission should report to parliament and their salaries should be controlled by parliament—not only the pension commission but any commission of its sort—and I will support Mr. Green in this matter unless the parliamentary assistant can change my views.

Mr. BENNETT: Mr. Chairman, Mr. Green has stated the advantage in this amendment; that it would be much more practical and easier from a point of view of administration to revise from time to time the salaries of the pension commission without the necessity of amending the statute. Now, that is the advantage. What are the disadvantages? The position that Mr. Green has taken, and Mr. Goode is taking, is that it threatens the autonomy of the Canadian Pension Commission. Well, my first argument to you is this: if you look up section 3 subsection 8 you will see that a pension commissioner of the pension commission is appointed by Governor in Council for any period of one year to ten years. Now, I say to you gentlemen, surely if the government wants to control the pension commission that would be the way to do it; the salaries' part of it is a very insignificant part of it. Surely if the government wanted to have any influence over the pension commission they would appoint Tom Jones under section 8 for a period of one year and if he did not act properly in accordance with what the government wanted, they would appoint someone else. That is not done by the government surely. That is the way that the government could control the pension commission if it wanted to and that section was written into the Act by parliament. What is the record? I do not think there is any commission in the country that has a better reputation and has more political independence than the Canadian Pension Commission. I think that Brigadier Melville has a deeper reservoir of goodwill among the members of this parliament than almost any civil servant here. And, right across Canada, the pension commission is regarded as an independent body. It has the respect of veterans and of all Canadians and I say to you that the autonomy of the Canadian Pension Commission is not threatened to the slightest extent by this amendment regarding salaries. And, mind you, this amendment which has been moved this morning makes it impossible for the government to differentiate between and among commissioners. In other words, if a commissioner were not acting according to the way the government wishes the commissioner to act they could not discriminate against that one commissioner, and as I say, they are appointed by Governor in Council. As far as the salaries not being subject to the control of parliament is concerned, well if examining the estimates of the department each year is not on the principle of expenditures being controlled by parliament then I submit we are wasting a lot of time each year. There should be a full discussion of departmental estimates and every member of the House will have an opportunity to get up

and voice his objection to a raise or decrease in the salaries of the commission. So, I can only end by saying that from the practical administrative point of view this is an advantage, and I do not believe for one minute that it will effect the independence of the Canadian Pension Commission.

Mr. CROLL: Mr. Chairman, there are two matters involved, I think Mr. Bennett has covered the points very well. There is not very much more I can add except to say this, that nothing in the amendment suggested by Mr. Bennett will in any way bring into jeopardy the independence of the commission. This has been an independent commission from away back and the present purpose of the amendment is to make it administratively possible for the commission to function more effectively. It is all very well to say that parliament sets the salaries and this is a matter for which parliament should be responsible, but we know as a matter of fact that there are many many functions and many many positions held in which parliament does not set the salaries but has an opportunity to review them from time to time. The reasons given by Mr. Bennett indicate that a great many of matters brought up by Mr. Green had nothing to do with the question at all. Will the amendment in any way limit the independence of the board? I think the committee must come to the conclusion that it will not, that the independence is there and will continue to be there, and that is not in jeopardy, I feel there is no alternative for us but, for administrative reasons, which are very good reasons indeed as have already been outlined, to support the amendment.

Mr. GILLIS: Mr. Chairman, I am sorry that I cannot agree with Mr. Croll or with Mr. Bennett. I think that Mr. Green pretty well nailed down this subject. I believe that on every point he made he was absolutely correct.

Now, as to Mr. Croll's argument that it is good from an administrative standpoint; do not forget for a minute that that was the premise by which Hitler justified the organizational system of advocating that we were just debating societies and he wanted to do it quickly. The whole trend today is to get away from parliament, that it is too slow, and all that kind of thing. I agree with Mr. Green on the principle that it is right for parliament to control the spending of money, and I am also convinced that giving the Governor in Council the right to fix the salaries of the commission will interfere with their independence. The main fight that the commission have from time to time is with the Treasury Board and if you are going to give the Treasury Board the right to fix their salaries—and do not forget that they could reduce them also; their powers are not limited to increasing them, they also can reduce them—and if the commission is in the position that it must depend on the Treasury Board's goodwill for whatever income they are going to have, it is going to have a bad effect on the Canadian Pension Commission; and I think this is the thin edge of the wedge, because if this veterans affairs committee takes the position that they are going to permit the cabinet to handle the salaries of the commission then, in my opinion, if we set that precedent in this committee of allowing that very very important body to come under complete control of the cabinet, so far as salaries are concerned—the next thing you are going to be faced with will be the application of this principle to the judges and the Board of Transport Commissioners and other bodies, and I think this committee is not the body to put a trial balloon like that up. I think the amendment is 100 per cent wrong as far as I am concerned, and I think I am speaking for the members who are with me on this committee from our group; we are absolutely opposed to it. The principle at stake is taking the right away from parliament to spend money. About the only control that the ordinary member now has in the House is with respect to the granting of supply and scrutinizing the way in which the money is spent. This is completely abrogating that principle.

There is nothing wrong in the amendment moved by Mr. Bennett. But it does not deal with the joker at all. The joker is in section 2, subsection 2. I am

quite prepared to write in this amendment that the commissioners and the ad hoc commissioners be paid the same salaries. There is no objection to that at all. But what we are objecting to is the right of the cabinet to fix salaries. For many of the reasons—I do not want to repeat them—I think that Mr. Green made an excellent case and I think that this committee would be well advised not to split up on the thing but to take a unanimous decision that this is a very, very bad principle. It is very unfortunate that it should come in the dying days of the session because if it should go into the House in the form in which it now is, I can foresee a long, long, discussion.

Mr. NESBITT: There is one more point in the remarks which Mr. Bennett made, that if the cabinet saw fit they could control the commission by simply removing a present member from it. But would Mr. Bennett not think that there is more likely to be a lot of publicity and public discussion if a member were removed from the Pension Commission than if the salaries were altered?

Mr. BENNETT: You mean if a member of the Pension Commission did not act in accordance with government wishes that the government would decrease his salary, let us say, to \$2,000 a year and that you do not think that would get a lot of publicity?

Mr. NESBITT: If that were done, I think it would be easier to explain than if some of them were dismissed.

Mr. BENNETT: You think that?

Mr. NESBITT: Yes.

The CHAIRMAN: The provision provides that they can be appointed for a term as short as one year which implies the right that they need not be reappointed. I do not think there is any suggestion that anyone would be dismissed. I think I should now recognize Mr. Philpott.

Mr. BROOKS: No, Mr. Chairman. I was up before.

Mr. PHILPOTT: Very well, please go ahead, Mr. Brooks.

Mr. BROOKS: Go ahead!

Mr. PHILPOTT: I am glad to see in the discussion so far that this is not going to be a division along party lines. But I must say at the outset that on this particular matter I am not going to vote with my friend Mr. Goode, or my friend Mr. Green, or with my old friend Mr. Gillis because I do not think that this is important. I do not think that this particular thing is as important as has been suggested.

I want to make my position very clear right now. I hope that this committee, from now to the time we finish this bill will act in a non-partisan way.

Mr. BROOKS: Oh yes!

Mr. PHILPOTT: I for one fully intend to raise my voice before we finish and to recommend a substantial increase in the war veterans allowance and the raising of the permissive ceilings on income. I think we would be very negligent unless we got through with this routine work and these routine Acts and made some recommendation to the government which will get consideration for the main things that concern veterans across Canada.

I for one do not feel that this particular matter is one of major importance. And while I cannot point to such a long and impressive parliamentary background as can Mr. Green—for helping in whose election I was so severely criticised the other night from another quarter of the House—I do not think it is very important and I for one cannot see what great difference in principle there is in allowing the governor in council to fix the salaries of these people, who are in a semi-judicial body, on exactly the same basis as the governor in council fixes many other categories of salaries for semi-judicial bodies, and to name only one, the judge advocate general of the forces.

Surely it is true that the most they can do is to give them a raise which only survives until the next session of parliament, because we all know perfectly well that every dollar which is paid to any person in any capacity in the public service of Canada, be it a judicial or any other capacity, is subject to parliamentary vote.

Therefore, I say to the chairman with all deference that I for one take second place to nobody in this committee in urging that the committee keep up its long tradition of non-partisan approach to all these problems and I will go along with my friends of any other party if they want to make sensible recommendations about war veterans allowance or anything like that. I do not think this is important and I intend to vote against Mr. Green's amendment.

Mr. BROOKS: I just want to say a word. I think that Mr. Green's arguments were very logical and I think they were unanswerable. I have not heard anyone answer his statement yet. I also agree with Mr. Gillis. I had made a note about the treasury board myself; but I cannot agree with Mr. Bennett that because the government appoints the commission anyway, they would control their independence if there was any control. He also suggested that parliament does not make these appointments.

Well, parliament does not appoint judges. As a matter of fact, while all judges' salaries are fixed by statute, parliament does not appoint judges. Moreover, parliament makes no appointments except its speaker, as far as I know. That to me is no argument at all, because we all realize it would be impossible for parliament to make all the appointments which are necessary.

And as to salaries, that is an entirely different thing. When this matter was before the House it was discussed and it was pointed out that the veteran himself considered the commission as sitting between him and the treasury board, if you will.

Now we hear, time and time again, of the great difficulty that there is to get the treasury board to agree to this and to agree to that. Veterans across the country feel that the pension commission is the body which acts for them as their advocate opposed to the government and the treasury board.

Whether or not that is the correct way of looking at it I do not know. But it is looked at in that light. Veterans want to see the commission independent and they believe that if salaries are fixed by the governor in council, a certain amount of that independence is taken away.

I think that is the feeling which is in the back of the minds of not only the veterans but of the civilian population in Canada. And frankly I think it certainly is a backward step for us in this committee to allow these salaries to be fixed by the governor in council as it also takes away a right from parliament.

I agree with Mr. Goode and I hope that there will be other members in this committee outside of opposition members who will feel the same, independently.

I remember when Mr. Philpott spoke on this in the House a short time ago. He said he could not care less about this matter. I do not think that is the attitude which most members have. He speaks about these being routine acts. But they are not routine acts. We have spent a lot of time—other members have spent more time than I have because I have been away. These are very important matters which have come up.

He also says that we should be discussing the war veterans' allowance. But who is responsible for our not discussing the war veterans' allowance here in this committee? We asked repeatedly in the House that the terms of reference be enlarged so that war veterans' allowance could be discussed.

I agree with him that before the committee finishes its sittings we should again insist that this question of war veterans' allowance be brought up. But

that is no reason, in my mind, why we should let other legislation go through, be it the Pension Act or any other act, which in any way weakens the legislation which we pass.

I contend, Mr. Chairman, that the statements are unanswerable and are logical. I listened to Mr. Croll, who usually puts up a pretty good argument on almost any subject, but I think he fell down miserably when he tried to present an argument against Mr. Green's statement.

Mr. GREEN: But he votes right.

Mr. BROOKS: Yes, he votes right.

Mr. QUELCH: I think Mr. Green made a very good case for opposing the changes proposed in the bill and I do not think that the amendment moved by Mr. Bennett makes any change in the principle contained in the bill. Now, Mr. Philpott mentioned that in his opinion he did not think the change was important, but I think you will all agree it is very important that we do nothing at this time to weaken the confidence of the veterans organizations in the pension commission. The Legion in their brief make it very clear that they do view this proposed change with a good deal of alarm, and therefore, whether or not it is important, I feel we should think twice before we make a change that is viewed with a great deal of concern by the veterans organizations. So far, I have not heard any argument by any of the government supporters giving any really valid reason why we should support the changes contained in the bill and therefore I intend to support the subamendment moved by Mr. Green.

Mr. BENNETT: Just to keep the record straight, the National Council of Veterans had this to say concerning this section: "If this section will facilitate the fixing and administration of commensurate salaries, without impairing the force and effect of appointments to the commission by the House of Commons, and protected from partisan or other influences which would be detrimental to the fair and impartial administration of the Canadian Pension Act, we have no objection."

Mr. GREEN: What is the first word?

Mr. JOHNSON (*Kindersley*): The whole thing hinges on the word "if".

Mr. BENNETT: They say that—

Mr. GREEN: What was the first word?

Mr. BENNETT: If. It is all right to laugh, but if they had any objection—they had the section before them, and the National Council represents 90,000 veterans—and that Council would have presented an objection; and I would point out that the council concludes its statement by saying: "We have no objection."

Mr. JONES: Mr. Chairman, I think the case, from my point of view, has been well placed before the committee by Mr. Green and Mr. Gillis, and I heartily support them. What I am anxious to know is how Mr. Philpott arrived at the conclusion that there is no danger to the administration from now on if the change is made. We have a commission with a very fine record extending over 35 years. They have done good work. Everybody agrees—the Legion agrees, the veterans agree and the committee agrees. Why then, at this time, change the whole set-up of the relationship of that commission with parliament? As far as I can see, no solid explanation has been given that would appeal to me or any member of the committee, and I think a further opportunity should be given to the parliamentary assistant to try and explain how it will function from now on. Will the happy relationship continue or will it deteriorate? I am afraid, personally, it will sadly deteriorate when the control is taken away from the people through parliament.

Mr. WEAVER: The objections which Mr. Green, Mr. Brooks and Mr. Gillis have made are very fair objections. Even what Mr. Philpott has said regarding the relative importance of this matter is very well stated. I think, however, we are losing sight of the relative importance of this matter as compared with the other financial matters in the House of Commons. Parliament authorizes approximately 4½ billion dollars now annually. In order to make a change in the salary of commissioners, as the law now stands, it means a bill which must go through all the various stages of debate in the House, and then come back here and go through committee and then go back to the House and through the other House. For a matter of possibly less than \$10,000 it just does not stand up in the matter of importance. Things have become much more complicated in recent years. A great deal more time is necessary to carry out the business of government and by making this change it does not take away from the importance at all, but it places things in their relative position regarding importance and would leave more time to deal with financial matters that are much more important relatively. For that reason I certainly intend to vote against Mr. Green's subamendment and I am quite satisfied in my own mind that the very fine work of the pension commission over the years is not in any way going to be imperilled by defeating this amendment.

Mr. HARKNESS: Mr. Chairman, Mr. Green stated the matter very clearly and I do not intend to repeat his argument. It seems to me the principle involved here is extremely plain and the various people who have spoken on this change have given no explanation which has impaired the argument Mr. Green has made, that this is a bad principle. I do not think there is any question about it that the judiciary should be as independent as possible and a commission of this sort should be as independent as possible of the government, the people who appoint them. There is no doubt, I think, that if the salaries of the commission are at the mercy of the cabinet to be moved up or down at any time depending on whether they like the members of the commission or do not like them, or based on any other factors of that sort, that the independence of the commission must inevitably be reduced as a result. As I say, the various arguments which have been made by the people who have spoken in support of this change have not touched on this principle at all. They have been touching on other matters and really quibbling over the matter, I would say, and talking of things which are not really of importance as far as the basic question goes. Now, one of the chief arguments which has been made in favour of this amendment—in fact the only argument which has been made in favour of it—is that it will make things easier administratively. I have not heard any explanation of how it will be easier administratively. In other words I do not see anything in that argument. During the nine years I have been here parliament has met about six months of the year. It is very easy to bring in a bill during that period and put up the salaries if necessary or do anything else along that line. In other words, I cannot see any administrative difficulty which exists at the present time and therefore I cannot even see any validity in the argument that it is going to make things easier and better administratively. As far as I can see, it merely puts the commission to some extent at the mercy of the cabinet and thus places them in the position where they are not able to act as independently as they might do otherwise.

Mr. JOHNSON (*Kindersley*): In this same regard, Mr. Chairman, I sympathize wholeheartedly with the arguments Mr. Green, Mr. Gillis, Mr. Jones have pointed out. I can see no objection to the salary schedules as set out in the original Act. I do not think there should be any difficulty filling the various vacancies with the salaries as outlined, so I do not see the necessity for making it easier to change the salary rates. The only argument I have heard for making the change is that of Mr. Philpott and Mr. Weaver who were using the argument that this is a very small point. When you open up a box of apples

and find a rotten one in the middle the first thing you should do is to throw out the rotten apple rather than concern yourself with polishing up the rest of them, and I think that principle should hold true. This is not a small matter, it is a very significant diversion from the tradition that we have had, as Mr. Green so ably pointed out, and I would certainly advocate retaining the old section 11 and supporting Mr. Green's subamendment.

Mr. MACDOUGALL: As you all know, each and every member of this Special Committee on Veterans Affairs is endeavouring to give the veteran what in his opinion the veterans and taxpayers of Canada are desirous that veterans should receive with respect to legislation. Now, I cannot go along with the remarks of Mr. Brooks where, in words to this effect, he stated that the veterans are looking on the C.P.C. as their only fighting force against the government.

Mr. BROOKS: I did not say "only fighting force".

Mr. MACDOUGALL: As a fighting force against the government.

Mr. BROOKS: I did not say that. On a question of privilege, Mr. Chairman, I do not wish to be misquoted at all.

Mr. MACDOUGALL: I do not wish to misquote you.

Mr. BROOKS: What I said was that the veterans look upon the commission as the people who are acting for them on one side, with the government on the other, when the Treasury Board may be trying to save money, and I said that they may have a correct or incorrect feeling, but many veterans have that idea.

Mr. MACDOUGALL: I accept the correction. I have never found that condition to exist in British Columbia, and I think possibly that we have in that province and in the lower mainland a greater percentage of veterans per capita than possibly any other part of the Dominion of Canada.

Mr. GILLIS: With one exception.

Mr. MACDOUGALL: Except possibly the city of Toronto. The general situation with respect to the veterans is, in my opinion, that they realize that what has been put on the statute books in our Veterans Charter has been put on with good will by all members of the House, including the government. Now, I cannot particularly see that this is of terrific importance. I can see that the bills that we are going to discuss in this committee are of vital importance, and I think that we can certainly say that, as far as the Canadian Pension Commission is concerned, any member of the House, regardless of what his politics may be or anything else, by and large has received the most courteous support for any of his requests to investigate certain specific cases that have come to his notice. That to me is of vital importance.

On this question of whether or not the government is going to discriminate against commissioners, I think that we can judge something of the future by what the record has been in the past, and to the best of my knowledge and belief there has never been interference on the part of the government with respect to the independent working and judgments of each and every commissioner of the C.P.C. Those things to me are important.

Coming along to what may come up or what may not come up before this committee is through, I think that none of us at this time should go out on a limb to state that we are going to bring forward suggestions that have not already been agreed upon as the agenda of this committee.

Now, I personally am very much disappointed that we, particularly in this session, have more or less frittered away time in the early part of the session when we should have been dealing with the subjects that we are dealing with now. I will admit frankly that there were reasons why the resolution with respect to the setting-up of the Veterans Affairs Committee had to be delayed by virtue of all the bills that are here for our consideration, but I plead with

the government that in the future, instead of this committee meeting three and four times a day for the last three or four weeks of the session, in heaven's name let up get on with the work earlier in the session.

Some Hon. MEMBERS: Hear, hear!

Mr. MACDOUGALL: It is a very difficult thing. I believe that is of a great deal more importance than the amendment. Mind you, there are many things that my friend from Quadra says that I quite agree with. I think he presented his case very well, but the fact still remains that we have to decide, and I hope with as little friction as possible, on the vital matters that we have to deal with on this committee for the veteran. Candidly, I do not think that there are many veterans in Canada who are worried particularly about the salaries of the pension commissioners, so long as they are adequately paid. I am quite sure that, as far as the general run of veterans in Canada of the first or second war or the Korean war goes, they have a great deal of confidence in the personnel of the commission and in the judgments that the commission has rendered with respect to many difficult problems. Though I sympathize with some of the things Mr. Green has said, it is my full intention to support the amendment of Mr. Bennett.

Mr. HENDERSON: I appreciate what all members of the committee have said here today, and I know that hon. members are expressing a sincere view, but I think that Mr. MacDougall said something to the effect that we should take our guidance for the future from experiences of the past. Let us review the Pension Act, chapter 207, in particular the part under "Organization", which I think was amended in 1930, and review various subsections there. I would like to refer to subsections 2, 3, 6, 7, 8 and 12 of section 3. We can see what the Governor in Council has been doing. Subsection 2 reads as follows:

The commission shall consist of not less than eight commissioners, who shall be appointed by the Governor in Council, but, in his discretion, the number of commissioners may be increased to twelve.

You see what the Governor in Council was doing there. Subsection 3:

The Governor in Council may, from time to time, appoint not more than five additional ad hoc commissioners, . . .

It carries on in that subsection what the Governor in Council may do. We go to subsection (6):

The Governor in Council shall appoint one of the commissioners to be chairman and another of the commissioners to be deputy chairman of the commission.

The Governor in Council again makes the appointment.

Subsection (7) deals with an acting chairman:

In the event of a vacancy occurring in the chairmanship of the commission for any cause, the Governor in Council may appoint a judge of the Superior Court of any province to be acting chairman of the commission for a period not exceeding two years.

The Governor in Council again makes the appointment.

Subsection (8), which was referred to by Mr. Bennett, says that the Governor in Council may decide upon the time during which the commissioner holds office, and that the commissioner is removable at any time for cause by the Governor in Council. It is noted there. Subsection 12: "Each commissioner shall devote the whole of his time to the performance of his duties under this Act, and shall not accept or hold any office or employment that the Governor in Council may declare to be inconsistent with the performance of his duties under this Act".

Now, I suggest to honourable members that the actions of the Governor in Council in the past have not only been good, but they have been complimented on I believe by everybody and they are satisfied with the way the commission has carried on. I suggest further that this is merely a routine matter and I think we should get on with something more directly beneficial to the veteran himself.

Mr. DINSDALE: Mr. Chairman, I have listened carefully to the pros and cons of this discussion. I came to the committee today after having read the bill through, convinced that section No. 2 was violating a fundamental principle. Anything I can say in support of that position would be quite superfluous now because other speakers have discussed the point thoroughly. But, I must say that I am surprised to see that there is so much support arising in favour of clause No. 2. As I say, it violates a fundamental principle, that is the independence of this semi-judicial body, the pension commission. In referring to the speaker who has just concluded, I would like to ask if he would like to place the judges in the same position in regard to salary? So far as I can see there has been no adequate refutation of the statement made by Mr. Green. There has been talking arounding the point. Someone has said that this represents just a small amount of money. The inference there is if a million dollars or so were involved, perhaps it would be important. That is not the point. It is a bad principle, I think! One of the dangerous threats today is the erosion of the rights of parliament, and this is just a small move in the same direction.

Mr. Philpott indicated that he is going to support this amendment and that he is not going to support the sub amendment introduced by Mr. Green. Obviously he regards that as an unpopular and undesirable step on his part, because immediately in order to offset the bad odour, he made reference to the issue of war veterans allowance which is not up for discussion at the present time. It would indicate that he thought his support of the war veterans allowance would, because of its popularity with the veterans, tends to offset the necessity of taking a non-popular and non-desirable stand in regard to this matter.

Mr. PHILPOTT: Which one do you think is more important?

Mr. DINSDALE: I consider them both of vital importance. As I mentioned, from the standpoint of principle, I think no member of the committee, regardless of what political group he adheres to, can support clause 2 as it now stands, and therefore I intend to vote for the sub amendment.

Mr. JAMES: Mr. Chairman, there is one clause here which brings something of a precedent into this, and that is section 11 of the Act. It deals with the veterans bureau which is a very important part of the whole pension setup, and the establishment of the pensions advocate, who in my opinion is the last hope the veteran has. The pensions advocate gets a veteran's case prepared and presents it to the pension commission. Now, those people must be independent and must work heart and soul for the veteran, and yet if you look over the subsection 3 it says: "The pensions advocates shall be appointed under and pursuant to the provisions of the Civil Service Act at such salaries as the Governor in Council may prescribe."

The CHAIRMAN: Are you ready for the question?

Mr. GOODE: Mr. Chairman, before you put the question I think, because I have to leave Ottawa next Wednesday on a physician's advice, that I have to say through you to Mr. Philpott, I will consider what I will do about this pension commission, but he will speak for me as far as the war veterans allowance is concerned; I agree entirely with his view. I view, not exactly with

alarm, but I do say that this move away from parliament's control with respect to salaries is important and because I view it with some negative view to other members of the committee I am going to vote according to my conscience.

The CHAIRMAN: The question is on Mr. Green's sub amendment to the motion of Mr. Bennett. Mr. Green's motion is that all the proposed clause 2 be struck out.

Mr. GREEN: May we have a recorded vote?

The CHAIRMAN: Mr. Green has asked for a recorded vote so I will ask the clerk to call the vote.

The CLERK: Yeas 11, nays 16.

The CHAIRMAN: I declare the sub amendment of Mr. Green lost.

All those in favour of the proposed amendment of Mr. Bennett? Do you want that polled or are you satisfied to have it on a vote by raising hands?

Mr. GREEN: I am not asking that it be polled.

The CHAIRMAN: All those in favour of Mr. Bennett's amendment, please raise their hands.

The CLERK: Sixteen.

The CHAIRMAN: And those against?

The CLERK: Ten.

The CHAIRMAN: I declare the amendment of Mr. Bennett carried.

Shall the clause as amended carry?

Carried.

The next clause, gentlemen, that stood was clause 8. I think you asked that be stood, Mr. Bennett?

Mr. BENNETT: Yes, Mr. Chairman. Mr. Chairman, clause 8 and clause 13 are tied in together. The original thinking of the government is pretty well set out in the explanatory note on page 4, and I think for the purposes of the record I should read it:

In 1945, owing to delays in securing service documentation for World War II personnel many of whom had served with United Kingdom and other forces, provision was made by Order in Council P.C. 2395 of April 9, 1945, for an additional retroactive period of 18 months where delays resulted from administrative and other causes beyond the applicant's control.

The original Order in Council stipulated the benefit would be limited to the duration of the war or one year thereafter.

Statutory effect was given in chapter 62 of the statutes of 1946, but the limitation was not incorporated.

There is no cause for delay now, documentation is available, appeals are heard very soon after they are listed as ready.

It is considered the proviso has served its original intent and the procedure for World War I and World War II claims should be uniform. It allows for a retroactive period of 12 months and an additional 6 months in cases of hardship and distress.

By departmental regulation, reimbursement for allowable treatment expenses for the pensionable condition may be granted for a period not exceeding 3 years from the effective date of the Canadian Pension Commission award.

So it was the intention of the government to rescind subsection 3 so that the total retroactive awards would not exceed 18 months. But after some evidence had been adduced here, and after hearing the Canadian Legion, and after hearing the chairman of the Pension Commission, and after hearing from

members of all parties, it was obvious that the feeling of this committee was that section 31 subsection 3 should be kept in the Act. Those representations were made known to the government and I have been authorized to move an amendment to repeal sections 8 and 13 of this bill with the intent that the Pension Act will remain as it is at present.

With regard to those sections, I would like to say to use the language of the honourable member for Cape Breton South the other day, that this is another example which goes to show that the government is flexible and that this committee does do good work.

Mr. GREEN: Mr. Chairman, I do not suppose anybody on the committee will disagree with the suggestion that this section of the bill should be repealed. However, that does not touch the problem raised by the Legion at all. The Legion's case was made and proved on the law as it stands at the present time.

All that the parliamentary assistant has done by his amendment is that it has now been decided not to cut it down, and not to change the law. But there still remain serious defects in this retroactive provision and I think that over the week-end the members of the committee could very well give those defects serious consideration.

The first is this: that in subsection 3 of section 31 as it reads at the present time and as it will read unless some change is made, the veteran of the first world war gets no benefit whatever. That 18 months retroactivity for administrative failure is only given to the veterans of world war two and not to the veterans of world war one.

I suggest that the qualifications reading "in respect of service during world war two" should be deleted so that this 18 months provision would apply to all veterans. I cannot see any reason why veterans of world war one should not get the benefit of mistakes made in the department, and yet, if the Act stands as it is at present, that will be their position.

Then another factor is that we must be sure that in the future the Canadian Pension Commission is not going to interpret this subsection 3 as depending upon the veteran first proving that he is a hardship case. They have been ruling, perhaps not in every case, but in most cases, that this 18 months additional retroactivity could not be granted unless the veteran had first proved that he was suffering hardship and had qualified under subsection 2 of section 31.

I do not think that the veterans affairs committee or the House at the time thought for a minute that there would be a qualification of that kind used by the commission in interpreting the section. I think there should be some amendment made to subsection 3 which will establish beyond all question of doubt that subsection 3 stands on its own feet.

This amendment, of course, does not begin to deal with the Legion's request that there should be further retroactivity. They put it in this way, reading from page 27 of their brief: "Surely when it is known that these conditions do exist it should naturally follow that provision should be made in the Act for the rectifying of the injustices and hardships that result from such human failings. We strongly recommend that the logical way to prevent these injustices is to amend the Canadian Pension Act to provide for awards of pension to be retroactive to the date of application." Now, all that the parliamentary assistant proposes to do is to retreat from his former position, cutting out the 18 months for administrative delays; cutting away that 18 months retroactivity.

Mr. BENNETT: I do not like the word "retreat" very much.

Mr. JAMES: Strategic withdrawal.

Mr. GREEN: Whether you call it "retreat" or a "strategic withdrawal" there is no doubt at all that the Legion has forced you to retreat.

The CHAIRMAN: I think I should say, in fairness to the parliamentary assistant, he is probably as much responsible for getting the change agreed to as anyone else.

Mr. GREEN: I do suggest this section be given further consideration.

The CHAIRMAN: I should add to what I said about the parliamentary assistant. I should couple with him the minister who took the matter up with the Cabinet and got their consent. I think they are both entitled to credit for what they did in that regard. I believe it would be the feeling of all the members of the committee that we should try and get through, if we could, on Monday sometime, so Mr. Melville could have a free day before he has to leave for overseas. We certainly want to accommodate Mr. Croll because he accommodated us. You are meeting in the morning on Monday?

Mr. CROLL: Yes.

The CHAIRMAN: And do you think it may take as many as two meetings?

Mr. CROLL: Yes.

The CHAIRMAN: But you surely will be through in two meetings?

Mr. CROLL: Yes. I mean a morning and an afternoon meeting.

The CHAIRMAN: I dislike to in any way vary from what was decided last night, but of course we did not know at that time that this situation was going to develop nor did we know that Mr. Melville was leaving on Wednesday. Is it satisfactory for us to meet at 8 or 8.30 on Monday?

Mr. MACDONNELL: Monday night or Monday morning?

The CHAIRMAN: Monday night. Is that agreed? We will now adjourn. We will take the Veterans Land Act this afternoon at 3.30 p.m., and we will resume the consideration of the Pension bill on Monday night at 8 o'clock in the evening.

AFTERNOON SESSION

3.30 p.m.

The CHAIRMAN: Order, gentlemen. We decided to consider some further amendments to the Veterans' Land Act. But before we do so we would have to have a motion to rescind the motion to report the bill which we passed yesterday.

Mr. GOODE: I so move.

The CHAIRMAN: You have heard the motion. Does it carry?

Carried.

Now I believe everybody has a copy of the proposed amendments to part I. Perhaps you would like to have a general statement from Mr. Rutherford, and then Mr. Holmes will answer any questions on the actual sections of the bill.

I shall now ask Mr. Rutherford to make a general statement to begin with.

Mr. RUTHERFORD: These proposed amendments to our present Act are purely for the purpose of tidying it up. They are things we noticed which should be changed. Most of them only conform the present procedure which is being followed. Mr. Holmes will speak for each of these amendments as a good many of them have to do with his own division.

The CHAIRMAN: The first section provides for the re-numbering of the clauses thereof, so that the clauses we have already dealt with, instead of being numbered as they are here, would be numbered from 10 to 11 respectively. And then you would add the clauses which are here. So we have clause 1.

1. That Bill 459, An Act to amend the Veterans' Land Act, be further amended by renumbering clauses 2 and 3 thereof as clauses 10 and 11 respectively, and by adding thereto, immediately after clause 1 thereof, the following clauses;

Does the motion carry?

Carried.

Clause 2 of the bill as we will ultimately report it "determination of cost to the director".

CLAUSE 2.

Section 9 of the said Act is repealed and the following substituted therefor:

9. The Director shall, for the purposes of this Act, determine the cost to the Director of the land and improvements thereon, building materials, livestock and farm equipment to be sold to a veteran under this Act, which shall be not less than the amount actually expended by the Director therefor.

Explanatory Note

Section 9 now reads as follows:

9. The Director shall for the purpose of this Act determine the cost to the Director of the land and improvements thereon, building materials, livestock and farm equipment to be sold to a veteran under this Act, which shall not be less than the amount actually expended therefor.

This amendment to section 9 will make it clear that it is unnecessary for the Director, when computing the cost of a property (and thereby fixing the sale price to a veteran), to include in that computation any expenditure on or with respect to the property previously made by any other department of government.

This is the practice which has been followed since inception of operations and the amendment, therefore, is for the purpose of not only confirming such practice but of "clarifying" the point as raised by the Auditor General in his report for the year ending March 31, 1951.

The types of case involved are:

- (a) Purchase of Surplus Buildings from War (Crown) Assets;
- (b) Purchase of Aerodromes, Emergency and Relief Landing Fields, etc.;
- (c) Purchase of Japanese Lands;
- (d) Irrigation projects where P.F.R.A. made financial contribution.

It is not considered that the amendment will have any effect other than to "clarify" the practice that has always been followed.

Mr. HILTON HOLMES: Mr. Chairman, there is an explanation in writing before the members of the committee; but briefly it is to restrict the cost of any land to the director to expenditures actually made by the director and not include in that cost expenditures made by any other department of government.

The CHAIRMAN: Shall the amendment carry?

Mr. BROOKS: What other expenditures would be made by other departments of the government?

Mr. HOLMES: Examples are shown on page 2. I would think that the two principal types of expenditure would be where the director had purchased abandoned aerodromes for settlement by veterans, and in British Columbia where the P.F.R.A. had made contributions for the development of raw land for the use of veterans.

Mr. GOODE: What procedure is there in regard to the taking over by V.L.A. when they purchase air-ports? Sea Island is in my riding and it is gradually being taken over by the government because of the Vancouver International Airport. What do you do about things like that?

Mr. HOLMES: Where the land is held under contract by the veteran, the purchasing authority first deals with the veteran and tries to get his consent to accepting a certain price for the property.

Mr. GOODE: But what if his consent is not given? Does it go to expropriation?

Mr. HOLMES: We have not decided on expropriation.

Mr. GOODE: Have you decided upon expropriation in these cases?

Mr. HOLMES: We try to avoid it because of the constitutional issue.

Mr. BROOKS: The same situation obtains with respect to the Gagetown camp area?

Mr. HOLMES: Precisely.

Mr. BROOKS: There the veteran was given an opportunity to name his price first.

Mr. HOLMES: The purchasing agent in the Department of National Defence went around and negotiated a saleprice with him.

Mr. BROOKS: There was no difficulty with the veterans?

Mr. HOLMES: None at all. Most of them have agreed.

The CHAIRMAN: Does the amendment carry?

Carried.

Would you mind explaining clause 3, subclause 1, which is amending subsection 2 of section 10 of the Act?

Clause 3. (1)

Subsection (2) of section 10 of the said Act is repealed and the following substituted therefor:

(2) In this Act, except in subsection (3) of this section, the expression "livestock and farm equipment", in the case of a veteran certified by the Director to be a commercial fisherman, includes commercial fishing equipment.

Explanatory Note

Subsection (2) of section 10 now reads as follows:

(2) Subject to the provisions of this Act and the regulations, the Director may contract with a veteran certified by him to be qualified to participate in the benefits of this Act for the sale to such veteran of land and improvements thereon, building materials and commercial fishing equipment up to a total cost to the Director of six thousand dollars subject to the same conditions set forth in subsection (1) with the words "commercial fishing equipment" substituted for the words "livestock and farm equipment" wherever they occur therein.

The wording of existing subsection (2) of section 10 provides that the Director contracts under its provisions with a veteran settled as a commercial fisherman. Subsection (4) of section 10, however, does not refer to contracts entered into under subsection (2) with the result that, technically, commercial fishermen are not subject to the ten-year conditional grant period.

In addition, and lacking any general provision that livestock and farm equipment includes commercial fishing equipment, there is a deficiency in sections 9, 11 and 13. The proposed amendment, by supplying a general provision that livestock and farm equipment does include commercial fishing equipment, not only cures the omission in subsection (4) of section 10 but the deficiencies in sections 9, 11 and 13.

Mr. HOLMES: The written explanation sets it out, but briefly, when the original bill setting up the V.L.A. was under consideration there was no provision for commercial fishermen. This provision was added as a sort of afterthought, but they did not make it clear that livestock included commercial fishermen. They substituted commercial fishing equipment for livestock and this is to make the phrase include commercial fishing equipment.

Mr. GOODE: What does that mean? Members of this committee brought that subject up a couple of days ago. Are you now saying to the committee that commercial fishing equipment is to be included in the Act? Can a commercial fisherman buy equipment under this Act?

Mr. HOLMES: Commercial fishing equipment? He always could.

Mr. GOODE: But that was not the answer which was given yesterday.

Mr. HOLMES: Yes. Under Part I he always could. We provide up to \$1,200 for that purpose.

Mr. GOODE: That must be some misunderstanding. If you will check with the answer which was given either to Mr. Pearkes or myself yesterday, or the day before, I think you will find that answer to be entirely at variance with what you have just said.

Mr. HOLMES: No. You would not be able to buy it under Part III, but you always could under this part.

Mr. GOODE: I have a lot of commercial fishermen in my riding, as you well know, so I am rather interested. I would like to have these things cleared up as we go along.

The CHAIRMAN: You are repealing subsection 2 altogether.

Mr. HOLMES: If you repeal that, you then have a section of the Act where we refer to livestock and farming equipment, and that would include commercial fishing equipment.

The CHAIRMAN: You propose to repeal it in clause 3 of the proposed amendments. You are repealing the present subsection which reads:

(2) Subject to the provisions of this Act and the regulations, the director may contract with a veteran certified by him to be qualified to participate in the benefits of this Act for the sale to such veteran of land and improvements thereon, building materials and commercial fishing equipment up to a total cost to the director of six thousand dollars subject to the same conditions set forth in subsection (1) with the words "commercial fishing equipment" substituted for the words "livestock and farm equipment" wherever they occur therein.

Mr. HOLMES: That means that you could sell commercial fishing equipment, under the provisions of section 10 subsection 1 which provides for the sale of livestock and equipment.

Mr. GOODE: That is still not clear to me.

Mr. ENFIELD: If you take out all of section 10 subsection 2, you rule out all of the first part of subsection 2; that is not included in the new amendment. The new amendment does not even mention the words "\$6,000", but the old subsection does.

Mr. HOLMES: Section 10 subsection 1 of the Act reads:

Subject to the provisions of this Act and the regulations, the director may contract with a veteran certified by him to be qualified to participate in the benefits of this Act for the sale to such veteran of land and improvements thereon, building materials, livestock and farm equipment. Subsection 2 will say that livestock includes commercial fishing equipment.

Mr. MACDOUGALL: Mr. Chairman, it is very difficult for me to understand why we have on the 4th day of June, 15 pages of amendment to an Act that was given its first reading in the House on the 19th day of May. Is there any stability about the Act at all, or are they going to be changed from day to day by order in Council? It strikes me as simply fantastic that 15 pages of amendments to a bill that was given first reading on the 19th day of last month should be now presented to us. What is going to happen two months from now? Are we going to be in the same "fix" we are in today amending a bill that is less than 3 weeks old?

The CHAIRMAN: I am told that this is just to make the bill conform to the practice, because there have been questions raised about some of the things we are doing. We feel that we are carrying out the intention of parliament. But there has been objections raised, from time to time, about certain things we have done, by, I believe, the auditor general, and we want to clear it up. There is no real change in the practice under the Act. This is just to give them the satisfaction that they cannot be questioned on some of these matters.

This is just to clarify the Act where it has been perhaps not too clear. Part I has not been amended at all so far. Part I was the part which dealt with full-time farming and so on.

When we finished adding Part II, which was the part that we dealt with, it was thought that it would be a good thing while we were at it just to tidy up Part I.

Mr. PEARKES: I am in agreement with what Mr. MacDougall has just said. Why in the world were these routine amendments not introduced at the time the bill was introduced?

Mr. MACDOUGALL: Hear, hear!

Mr. PEARKES: It seems to me most extraordinary that at the 11th hour they should bring in these routine amendments. All I want to say is that this amendment dealing with fishermen is a good one to bring in, but at the same time is it to be put into effect before there is any legal authority for it to be put into effect?

The CHAIRMAN: This particular one is just a re-wording to make it clear. There is no doubt that they had the power to do it before. I think that is correct.

Mr. GILLIS: I would like to compliment whoever did this because I have gone through the amendments and 99 per cent of them arise out of the discussions of this committee. It is a straight matter of clarification. If we had gone ahead with this bill on the points that are clearly set out here we would be a long time at it. What the director did here was to anticipate what we might be running into by way of confusion and he has done an excellent job of clarifying the matter. That is my judgment.

The CHAIRMAN: I think what Mr. Gillis has said is right. I think the administration is to be commended for bringing in amendments that appear to clarify anything that is brought up because it is giving some effect to the deliberations of the committee. It is not to be expected that the director or the government will foresee everything that the committee will bring up, otherwise there would be no need to have the committee sit.

Mr. STICK: Let's get on with it.

The CHAIRMAN: Carried?

Carried.

The CHAIRMAN: Clause 3(2), "Livestock and farm equipment."

Clause 3(2)

Paragraph (g) of subsection (3) of the said section 10 is repealed and the following substituted therefor:

(g) that livestock and farm equipment shall be sold under this subsection only to a veteran who at the time of such sale *enters into a contract under this subsection or has a subsisting contract under this subsection for the purchase of land* from the Director or who occupies land under a rental or purchase agreement satisfactory to the Director, and the cost to the Director of such livestock and equipment shall not exceed forty per cent of

(i) the cost to the Director of the land, improvements and building materials sold to the veteran, and

(ii) the value of *any* land occupied by *that* veteran under a rental or purchase agreement as estimated by the Director."

Explanatory Note

Paragraph (g) of subsection (3) of section 10 reads as follows:

(g) that livestock and farm equipment shall be sold under this subsection only to a veteran who at the time of such sale buys land from the Director or who occupies land under a rental or purchase agreement satisfactory to the Director, and the cost to the Director of such livestock and equipment shall not exceed forty per cent of

(i) the cost to the Director of the land, improvements and building materials sold to said veteran, or

(ii) the value of the land occupied by a veteran under a rental or purchase agreement as estimated by the Director."

The present language seems to restrict financial assistance for purchase of livestock and farm equipment to veterans who contemporaneously with their application for financial assistance for that purpose buy land from the Director or are occupying suitable land as tenants or purchasers. The amendment extends the privilege to those already settled under this section who need additional livestock and equipment. The change of "or" to "and" gives cumulative effect to subparagraphs (i) and (ii).

Would you explain that, Mr. Holmes?

MR. HOLMES: This section as it stands permits the director to advance money for the purchase of livestock and farm equipment to veterans who are renting or purchasing land. It also provides in one section that the amount of money he can advance for livestock and farm equipment is to be governed by the value of the land held under rental or under purchase. Now, the wording of that seems to restrict the purchase of livestock and farm equipment to veterans who at the time they purchase land also buy stock and equipment. As a concrete example, let us suppose that a man is renting land worth \$6,000 and under this section of the Act he borrows money from the director to the amount of 40 per cent of the value of the land—\$2,400. Subsequently he purchases land with the help of the director to the extent of \$3,000. He has now used up \$5,400. Under the Act he still has \$1,400 available to him and he wants to use that. He comes to us and asks for the additional amount and because of the wording of the Act as it now stands we are restricted. It says: "Or the value of the land." He has already been granted \$2,400 and cannot get any more. Now, we are saying that we can take into account not only the value of the land he purchases from the director but also the value of the land he is renting. We can now take both of them into account in determining the amount of stock and equipment.

Mr. BROOKS: The change of "and" to "or" is the most important thing in it?

Mr. HOLMES: Yes.

Mr. BROOKS: I mean the change from "or" to "and". Just the other way around.

The CHAIRMAN: Clause 3(3) "Assignment."

Clause 3.(3)

The said section 10 further amended by adding thereto, immediately after subsection (4) thereof, the following subsection:

(4a) Notwithstanding subsection (4), at any time after the expiration of the ten year period referred to in subsection (4), a veteran who has complied with the terms of his agreement for that period and is not otherwise in default thereunder may, with the consent of the Director, assign the agreement to any person; and, notwithstanding anything in this Act or the agreement, the interest payable by any assignee of any such agreement from and after the date of the assignment on any remaining indebtedness to the Director under that agreement shall be at the rate of five per cent per annum.

Explanatory Note

Subsection (4) of section 10 now reads as follows:

(4) In the case of any contract made between the Director and a veteran under subsections (1) and (3) save upon payment in full to the Director of the total outstanding cost to the Director of the land, improvements, livestock and farm equipment together with interest at the said rate on the said outstanding cost and all other charges owing by the veteran in respect thereof, no sale, assignment, or other disposition of the subject-matter of a contract between a veteran and the Director shall be made by the veteran, nor shall a conveyance or transfer be given by the Director to a veteran during a period of ten years following the date of the relative contract and thereafter only if the veteran has complied with the terms of his agreement for the said ten-year period."

This new subsection provides that, after the end of the ten-year conditional grant period, and with the consent of the Director, a veteran may assign his Agreement of Sale to any person. It also provides that, if a veteran does assign his agreement, the rate of interest payable by the assignee on the remaining debt to the Director will be five per cent.

Mr. QUELCH: This apparently arises from a discussion we had during the course of the debate on the bill. It seems to me, however, it goes a bit beyond what the committee advocated. The committee suggested that where the veteran has assigned to a civilian the civilian should have to pay 5 per cent rather than 3½ per cent, but from this it would appear that if an agreement is assigned to another veteran who may be eligible to benefit under the Act he will have to pay 5 per cent instead of 3½ per cent. Is there not a case where a veteran might want to assign to another veteran to make sure he would get the land. If he didn't there would be no guarantee the director would sell it to him.

Mr. HOLMES: He could do it under section 11. He could sell it to another veteran under section 11 and the director could not sell it to any other veteran unless the veteran had agreed to the sale.

The CHAIRMAN: On that question of section 11, you say that you would deal with it under section 11. Suppose he wanted to sell it to another veteran or assign it to another veteran who had already taken the benefit of the provi-

sions of Part I? Section 11 says: "... sell to another veteran certified by the director to be qualified to participate in the benefits of this Act or may sell or otherwise dispose of to any other person, all or any part of the land, improvements, building materials, livestock or farm equipment that was sold by such contract to the first mentioned veteran."

Mr. HOLMES: I would think, in fairness, if he already had the benefits of one establishment and this veteran wanted to assign a contract he could not.

Mr. QUELCH: He could under the Act? The only way he could get an additional loan would be under Part III?

The CHAIRMAN: He might wish to buy and pay for it himself. A veteran who settled under the V.L.A. might want to take over the contract of another veteran at the end of ten years and under the proposed amendment he would have to pay 5 per cent the same as a civilian.

Mr. HOLMES: I would think in equity that is what the director would have to do. The veteran has already had the benefits under one establishment.

Mr. QUELCH: I do not see why he should pay $3\frac{1}{2}$ per cent when we are making another veteran pay 5 per cent under Part III.

The CHAIRMAN: I brought it up to make it clear so it would not be said afterwards that it was not clear to everybody. Carried?

Carried.

The CHAIRMAN: Clause 4(1), "Proceeds."

Clause 4(1), "Proceeds."

Clause 4. (1)

Paragraph (b) of subsection (8) of section 11 of the said Act is repealed and the following substituted therefor:

(b) "proceeds" in the case of a contract for the sale of land, improvements or building materials to a veteran certified by the Director to be qualified to participate in the benefits of this Act, means an amount equal to the cost to the Director of such land, improvements or building materials determined for the purposes of such contract under section 9 plus any amount, other than the ten per cent of such cost, paid by the veteran under paragraph (b) of subsection (1) or paragraph (c) of subsection (3) of section 10; in the case of a contract for the sale of livestock or farm equipment to such a veteran, means an amount equal to the amount that the veteran would be required to pay under subsection (4) of section 10 for an immediate transfer thereof; in the case of a sale or other disposition of property *except timber* to any other person means the amount received; and *in the case of a sale of timber to any person means the stumpage value of that timber, as determined by the Director.*

Clause 4(2) "sale of timber."

Clause 4. (2)

The said section 11 is further amended by adding thereto the following subsection:

(12) Notwithstanding anything in this section, the Director may pay to a veteran, in the event of any sale of timber from land sold to that veteran under a contract entered into under this Act, any amount by which the amount for which the timber was sold exceeds the stumpage value of that timber as determined by the Director.

Explanatory Note Re Clauses 4. (1) and (2)

Paragraph (b) of subsection (8) of section 11 now reads as follows:

(b) "proceeds" in the case of a contract for the sale of land, improvements or building materials to a veteran certified by the Director to be qualified to participate in the benefits of this Act, means an amount equal to the cost to the Director of such land, improvements or building materials determined for the purposes of such contract under section 9 plus any amount, other than the ten per cent of such cost, paid by the veteran under paragraph (b) of subsection (1) or paragraph (c) of subsection (3) of section 10; in the case of a contract for the sale of livestock or farm equipment to such a veteran, means an amount equal to the amount that the veteran would be required to pay under subsection (4) of section 10 for an immediate transfer thereof; and in the case of a sale or other disposition of property to any other person means the amount received;

The purpose of this amendment is to "legalize" the policy and procedure followed by the Director in the sale of timber where the veteran does the cutting. The Auditor General commented on this point in his report for the year ending March 31, 1951 and, while acknowledging the fairness and soundness of giving a veteran allowance for labour, also indicated there should be legislative provision for so doing.

Mr. HOLMES: At the present time there are veterans who have a bush lot on their property. They want to sell some of it to make a little money and help meet their payments. Technically, timber is the property of the director and cannot be sold, but if the director desires to give a veteran the benefit of his labour in cutting wood he allows him what is called a "labour allowance" from the sale price of the timber and the purpose of this amendment is to regularize that practice. The auditor general had questioned it. He agreed it was good ordinary business practice but said we had not legislative authority and that we should get it.

The CHAIRMAN: That is on page 7 where it is underlined?

Mr. HOLMES: Yes.

Mr. BROOKS: Has not the practice been that he would get the stumpage and sell it and apply the proceeds?

Mr. HOLMES: We allow the veteran to get the difference between the sale price and the stumpage value.

The CHAIRMAN: There has been some objection raised to that and this is to make it plain that they have a right to do that.

Mr. BROOKS: If he wanted to pay the proceeds you would be glad to have him pay them?

Mr. HOLMES: Yes.

The CHAIRMAN: Carried?

Carried.

Clause 4.

Mr. MACDOUGALL: You mean clause 5. We do not know where we are at.

The CHAIRMAN: Clause 5. "Sale of land subject to mortgage."

Clause 5

Section 15 of the said Act is amended by adding thereto the following subsection:

(2) Where any land subject to a first mortgage or hypothec in favour of the Director as described in subsection (1) is sold or agreed to be sold by a veteran, notwithstanding anything in this Act or the mortgage or

hypothec the interest payable from and after the date of such sale or agreement of sale on any remaining indebtedness to the Director under the mortgage or hypothec or under any other mortgage or hypothec taken to secure repayment of the amount then outstanding of any advance made under subsection (1) shall be at the rate of five per cent per annum.

Explanatory Note

The amendment to section 15 increases from $3\frac{1}{2}$ per cent to 5 per cent the interest rate payable by the purchaser on the remaining debt to the Director in each case where the veteran who is established under section 15 sells the property subject to the first mortgage in favour of the Director.

The CHAIRMAN: Would you explain that?

Mr. HOLMES: At the present time a veteran who is indebted to the director on a mortgage contract may sell the land with the result that the purchaser, a non-veteran, would be getting the benefit of a $3\frac{1}{2}$ per cent interest rate. The purpose of this amendment is to assure that if in future any veteran on a mortgage contract sells his land, the purchaser will pay 5 per cent and not $3\frac{1}{2}$ per cent.

The CHAIRMAN: Carried?

Carried.

Clause 6. "Provincial advisory boards."

Clause 6.

Section 18 of the said Act is repealed and the following substituted therefor;

18. (1) There shall be *one or more* provincial advisory boards in each province appointed by the Governor in Council, *each Board being* comprised of three members; the chairman shall be a judge of a county or district court of the province in which such board operates, or in the Province of Quebec a judge of sessions of the peace, and one member shall be nominated by the Canadian Legion.

(2) The Director, before taking any action or proceedings under subsection (1) of section 19, shall, upon due notice to the veteran concerned, refer the question of rescission in any case to the *appropriate* advisory board in the province in which the land concerned is situated, for its consent as to whether the default in performance of the agreement warrants the Director in exercising the powers given him under the said subsection or as to the remedial conditions to be fulfilled by the veteran, in default of compliance with which rescission of the agreement may ensue.

Explanatory Note

Section 18 now reads as follows:

18. (1) There shall be a provincial advisory board in each province appointed by the Governor in Council, comprised of three members; the chairman shall be a judge of a county or district court of the province in which such board operates, or in the Province of Quebec a judge of sessions of the peace, and one member shall be nominated by the Canadian Legion.

(2) The Director, before taking any action or proceedings under subsection (1) of section 19, shall, upon due notice to the veteran concerned, refer the question of rescission in any case to the advisory board of the province in which the land concerned is situated, for its consent as to whether the default in performance of the agreement warrants the

Director in exercising the powers given him under the said subsection or as to the remedial conditions to be fulfilled by the veteran, in default of compliance with which rescission of the agreement may ensue.

The amendment to section 18 is to permit the appointment of more than one advisory board in any province if the need should arise and to cover the situation in the Province of Quebec where, in fact, there are two boards.

Mr. HOLMES: The Act, sir, as it stands provides for only one provincial advisory board per province and this is to make provision for more than one.

The CHAIRMAN: I understand in certain provinces there are more than one?

Mr. HOLMES: In the province of Quebec we have two at the present time.

The CHAIRMAN: And this will save expense because it will obviate the necessity of travelling back and forth?

Mr. HOLMES: Yes.

The CHAIRMAN: Carried?

Carried.

Clause 7.

Clause 7

Subsection (2) of section 19 of the said Act is repealed and the following substituted therefor:

(2) The Director may *with the consent* of the veteran and without giving the notice required by subsection (4) rescind *or otherwise terminate* any contract made with the veteran under this Act.

Explanatory Note

Subsection (2) of section 19 now reads as follows:

(2) The Director may by agreement with the veteran and without giving the notice required by subsection (4) rescind any contract made with a veteran under this Act.

The purpose of this amendment is twofold:

(a) To correct a doubt that the word "agreement" does not mean a simple verbal agreement between the veteran and the Director wherein the veteran agrees to execute, and the Director agrees to accept a quit claim deed but, rather, that it means execution by both the veteran and the Director of a formal, official document. In order to remove this doubt and facilitate administration, it is proposed to delete the words "by agreement with" and substitute the words "with the consent of".

(b) To permit the Director to terminate a mortgage under section 15 by acceptance of a conveyance and quit claim deed from a veteran rather than have to take foreclosure action in each instance.

What is the effect of that amendment?

Mr. HOLMES: This is changing the words in the section "by agreement" to "with the consent of." It has been our practice, as an alternative to rescinding an agreement pursuant to the serving of the notice, to rescind his agreement if the veteran is selling, pursuant to a quit claim deed. It has been suggested that we did not have authority to accept a quit claim deed under our Act, and that a quit claim deed was not an agreement within the intent of the Act or as could be defined by the Act. So we are now providing that acceptance by the director of an ordinary quit claim deed would be valid.

The CHAIRMAN: Is it carried?

Mr. WESELAKE: Should it not read "with the written consent of"?

Mr. CRACKEN: One of the other points in connection with that was the fact that there was a possible interpretation that the word "agreement" did

not mean a simple ordinary verbal agreement, and we agreed to accept it. They were talking about having us make a long official document, and we would be cluttering up the files with big documents. With this we would get out of executing another document.

Mr. MACDOUGALL: The lawyers will be against that.

Mr. MCCracken: My understanding was that the quit claim deed was evidence of an agreement but not an agreement itself.

Mr. BROOKS: I think that a quit claim deed would be written consent.

The CHAIRMAN: I take it that it is understood that before the right of the veteran is terminated there must be a quit claim deed.

Mr. MCCracken: Yes.

The CHAIRMAN: That covers the point that you had in mind, Mr. Weselak?

Mr. WESELAK: Yes.

The CHAIRMAN: Is it agreed?

Carried.

Clause 8 (1)

Subsection (1) of section 21 of the said Act is repealed and the following substituted therefor:

21. (1) Where a contract made by the Director with a veteran under this Act is rescinded or otherwise terminated and the property to which the contract relates is sold by the Director for more than the amount owing under the contract, the surplus shall be paid by the Director to the veteran, but in the case of any such sale on a term basis under an agreement of sale, the surplus shall be paid by the Director to the veteran at such time as the Director determines such payment to be warranted having regard to the amount then owing to him in respect of that property.

Explanatory Note

Subsection (1) of section 21 now reads as follows:

21.(1) Where a contract made by the Director with a veteran is rescinded or otherwise terminated and any property that was sold by the contract is re-sold by the Director for more than the amount owing under the contract, the surplus shall be paid by the Director to the veteran.

Although the present wording of section 21(1) makes the payment of a surplus obligatory, it does not state when such payment shall be made. The proposed amendment, therefore, expresses the long-time policy and procedure followed by the Director, i.e.,

(a) when a reverted property is sold for cash, any surplus resulting from such sale is paid to the veteran immediately;

(b) when a reverted property is sold by agreement of sale on a term basis over a period of years, any accounting surplus which may be due a veteran is only paid, either in whole or by instalments, as and when the margin of security (as represented by the difference between the present day value and the remaining debt to the Director) is considered to be such as to warrant payment.

What is the effect of the change there?

Mr. HOLMES: Although the present wording of the section makes the payment of a surplus obligatory, it does not state when such payment shall be made. The purpose of this amendment is this: it has been argued that this surplus exists, even though it is only an accounting surplus, and the director wants authority to say that he shall refund that surplus only when in his opinion the margin of security warrants that payment.

The CHAIRMAN: Is it agreed?

Carried.

Mr. BROOKS: Does the department get into financial difficulties by refunding too soon?

Mr. HOLMES: Not yet. We are following exactly now what we propose to do in the future.

The CHAIRMAN: Clause 8(2):

Clause 8.(2)

Paragraph (a) of subsection (2) of the said section 21 is repealed and the following substituted therefor:

- (a) the amount that the veteran would have been required to pay for a transfer, conveyance or discharge of mortgage or hypothec at the date of the rescission or other termination of the contract;

Explanatory Note

Paragraph (a) of subsection (2) of section 21 now reads as follows:

- (a) the amount that the veteran would have been required to pay for a transfer or conveyance at the date of the rescission or other termination of the contract;

Paragraph (a) of subsection (2) provides authority for the Director to pay a surplus to a veteran whose mortgage was terminated other than by foreclosure action. It is consequential upon the amendment proposed to subsection (2) of section 19.

What is the effect of the change there?

Mr. HOLMES: We are just adding the word "mortgage" to bring mortgage agreements within the compass of rescission or termination. At the present time it is restricted to agreements of sale.

Mr. RUTHERFORD: To save the expense of foreclosure proceedings.

Mr. HOLMES: And to permit us to make refunds in mortgage cases.

The CHAIRMAN: Carried?

Carried.

Clause 8(3):

Clause 8(3)

The said section 21 is further amended by adding thereto the following subsection:

(4) In the event of any sale by the Director, pursuant to an agreement entered into by him with a veteran for the making of a grant under subsection (3) of section 38, of any livestock, machinery or equipment referred to in paragraphs (c) to (g) of subsection (4) of that section, any amount by which the amount realized by the Director in respect of that sale exceeds

- (a) the cost to the Director of the livestock, machinery or equipment, and
 - (b) any loss sustained by the Director in respect of the land to which that agreement relates,
- shall be paid by the Director to the veteran.

Explanatory Note

The Agreements with the Provinces concerning settlement on provincial lands under the provisions of section 38, make provision for the payment of any surplus which may materialize in the sale of the real property. No such

provision is made, however, with respect to any surplus which may result from the sale of chattels which the Director repossessed upon abandonment of the property by the veteran.

Mr. QUELCH: I take it that if an agreement between the provincial government and the V.L.A. under section 38 ended, it would be actually the provincial government that made the sale of the land, would it not?

Mr. HOLMES: It could be us.

Mr. QUELCH: Would it not in all cases? It is not provincial land?

Mr. HOLMES: The provisions are, that following the abandonment of his land by a veteran, it will be appraised by a representative of the director and a representative of the province. The province has the right within two years to resell the land, or at the end of that period turn it back to the director and let him dispose of it.

Mr. QUELCH: Is there an agreement between you and the province with regard to any surplus?

Mr. HOLMES: Any surplus over and above the amount expended by the director on the land, etc., shall be refunded to the veteran.

Mr. QUELCH: Any amount expended on drainage and clearance?

Mr. HOLMES: That is counted as permanent improvements.

The CHAIRMAN: Is it agreed?

Carried.

Clause 9:

Clause 9

Section 33 of the said Act is repealed and the following substituted therefor:

33. Affidavits, oaths, statutory declarations or solemn affirmations required to be taken or made for the purposes of this Act, may be taken or made before the judge or clerk of any court, any justice of the peace, commissioner for taking affidavits, notary public, or any person specially authorized by the *Minister* to take or administer the same.

Explanatory Note

Section 33 now reads as follows:

33. Affidavits, oaths, statutory declarations or solemn affirmations required to be taken or made for the purposes of this Act, may be taken or made before the judge or clerk of any court, any justice of the peace, commissioner for taking affidavits, notary public, or any person specially authorized by the Governor in Council to take or administer the same.

Provision is made for appointment by the Minister of officers to exercise the functions of taking affidavits, etc.

What is the effect of that amendment?

Mr. HOLMES: It is really to facilitate administration, sir.

The CHAIRMAN: Agreed?

Carried.

Mr. QUELCH: Before we leave the Veterans' Land Act, I wonder if Mr. Rutherford could say whether or not any consideration was given to the Legion's recommendation, found on page 8 of their 1952 brief:—

Resolved that to ensure continuation of contractual payments the Veterans Land Act be amended so that the veteran may protect his unpaid balance of contract, through a mortgage term-insurance policy . . . Has any consideration been given to a policy of that kind?

Mr. RUTHERFORD: Yes, it has been considered quite often, but there is no great demand for it. We do not want to make it compulsory.

Mr. QUELCH: Could it be optional? Will you make an agreement with the veteran if he so desires?

Mr. RUTHERFORD: No, we have no facilities for doing so now, but there are the ordinary facilities which are quite reasonable. When the 29 veterans were building the 29 houses I mentioned before, one of the men died when the houses were almost completed. When the president of the cooperative called to tell me, I was lamenting the fact that his widow might lose the house, and he said, "Don't you remember the insurance?" He said that I was responsible for placing it, but I think that the veterans had a good deal to do with that themselves. They collected on this insurance policy. It gave the widow the house free of charge. The policy cost, I think, \$18 a year. They were all young men and the premium was quite low.

Mr. QUELCH: I think it is an excellent provision. I ran into two or three cases where a veteran who died had taken out that insurance. I think it would be a good idea if your supervisor would draw it to the attention of veterans that for a very small amount they can take out insurance of that kind.

Mr. RUTHERFORD: That is being done, but we did not want to set up anything.

The CHAIRMAN: Can I have a motion to reprint this bill because of the changes in it?

Mr. JAMES: I so move.

The CHAIRMAN: Shall the bill be reprinted as amended?

Carried.

Shall I report the bill?

Agreed.

Mr. DINSDALE: Before Mr. Rutherford goes—or will he be with us a little longer?—I have a general question on the V.L.A. Have these houses built on the build-your-own-house basis, up to the present time, been subject to Central Mortgage and Housing standards?

Mr. RUTHERFORD: They are subject to V.L.A. building standards which are very much the same. We had our own originally and built them up as C.M.H.C. built theirs up. We went along with them.

Mr. GRIFFITH: There is very little difference. Our standards were drawn up with the idea of keeping as close as we could to the National Housing Act, and that, of course, is the code followed by Central Mortgage and Housing Corporation and we are very close to it.

Mr. DINSDALE: But, under the new arrangement you will be under C.M.H.C. standards?

Mr. GRIFFITH: Yes.

Mr. DINSDALE: I know that C.M.H.C. standards are quite rigidly applied and I was wondering if there was any possibility of a veteran operating on the build-your-own-home benefits falling afoul of these rigid standards?

Mr. GRIFFITH: No, not if he is under our supervision because we watch that carefully. We try to avoid any possibility of the veteran going wrong because we realize if work has to be done over he is going to lose time and money, and with that in mind we follow the standards just as closely as we can. That is part of the reason for our courses for veterans, we really impress them with the fact that the standards are necessary.

The CHAIRMAN: We are referring now to part II. Under part I, the small holding, is a different matter?

Mr. GRIFFITH: No, it is exactly the same, Mr. Chairman.

The CHAIRMAN: You permit people to build under the small holding provision in some of the smaller urban areas in the west where I understand they would not meet the C.M.H.C. standards in respect to serviced land and that sort of thing.

Mr. GRIFFITH: You see the standards are set as a method of construction as far as we are concerned. Now, there are requirements in the Central Mortgage and Housing Corporation set up as to room sizes and dimensions of various types. We follow them as closely as we can, and there may be, as Mr. Tucker has mentioned, farmhouses that may not meet the requirements of the Central Mortgage and Housing Corporation, but we do try to keep within the scope of the National Housing Act. In some cases these farmhouses will not pass under the part 2 legislation. Generally though we find that the houses we are building now, that is the individual houses, will all come within the standards, outside of the farmhouses Mr. Tucker was speaking of.

Mr. BROOKS: Can veterans out in the districts where there is no water facilities and so on build under this part II?

Mr. GRIFFITH: You mean unserviced land?

Mr. BROOKS: Yes.

Mr. GRIFFITH: Yes. The Central Mortgage and Housing Corporation will accept them, subject to whatever restrictions they may have, but they do accept what we call unserviced properties with septic tanks and wells.

Mr. BROOKS: I do not know whether they have septic tanks in the country. I was thinking of veterans out in the country.

Mr. GRIFFITH: You will find that it is a rare case where you do not have the city facilities even in farmhouses now.

Mr. MACDOUGALL: Have we passed the bill?

The CHAIRMAN: Are there any other questions? We have passed the bill. We are dealing now, before we adjourn, with any questions that the committee desire to ask the director or his staff.

Mr. MACDOUGALL: I move that we adjourn.

The CHAIRMAN: I think that you would all wish me, gentlemen, to express our appreciation to Mr. Rutherford and his staff for the good work they have done before this committee.

Some Hon. MEMBERS: Hear! Hear!

The CHAIRMAN: We now adjourn until Monday night at 8 o'clock.

The Committee adjourned.

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Canada, Veterans Affairs, Special
Committee on, 1953/54

HOUSE OF COMMONS

First Session—Twenty-second Parliament

1953-54



SPECIAL COMMITTEE

ON

VETERANS AFFAIRS

Chairman: W. A. TUCKER, Esq.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 12

MONDAY, JUNE 7, 1954

WITNESS:

Mr. J. L. Melville, Chairman, Canadian Pension Commission

EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1954.

MONDAY, June 7, 1954.

Ordered,—That the name of Mr. Herridge be substituted for that of Mr. Johnson (Kindersley) on the said Committee.

Ordered,—That the name of Mr. Jutras be substituted for that of Mr. Dickey; and

That the name of Mr. Hollingworth be substituted for that of Mr. Balcom on the said Committee.

Attest.

LEON J. RAYMOND,
Clerk of the House.

MINUTES OF PROCEEDINGS

House of Commons, Room 430,
MONDAY, June 7, 1954.

The Special Committee on Veterans Affairs met at 8.00 o'clock p.m. The Chairman, Mr. Walter A. Tucker, presided.

Members present: Messrs. Bennett (*Grey North*), Brooks, Cardin, Cavers, Croll, Dinsdale, Enfield, Forgie, Gauthier (*Portneuf*), Gillis, Goode, Green, Hanna, Harkness, Hollingworth, Henderson, Herridge, Jones, Jutras, James, MacDougall, Nesbitt, Pearkes, Philpott, Quelch, Thomas, Tucker, Weaver, and Weselak.

In attendance: Mr. E. L. M. Burns, Deputy Minister, Department of Veterans Affairs, and the following other officials of that Department: Mr. C. B. Topp, Chief Pensions Advocate; Mr. E. V. Wilson, Travelling Inspector, Veterans Bureau; Mr. E. J. Rider, Research Adviser. Also, Mr. J. L. Melville, Chairman, and Mr. Leslie A. Mutch, Vice-Chairman, of the Canadian Pension Commission. Also, Mr. D. M. Thompson, Chief Welfare Officer, Canadian Legion, B.E.S.L.

Before proceeding with the business of the day, Mr. Goode moved, seconded by Mr. MacDougall,

That this Committee recommend that the Government give consideration to introducing legislation which will give effect to the representations submitted to the Cabinet in November, 1953 by the Canadian Legion, that the rates of allowance and the total income under the War Veterans' Allowance Act be increased.

On the suggestion of Mr. Croll, it was agreed that this be taken as a notice of motion and the Committee proceed with the adjourned study of Bill 339, An Act to amend the Pension Act.

Mr. J. L. Melville was called.

The witness, after reading a lengthy statement dealing with matters raised on previous occasions when Bill 339 was under study, was questioned in respect to the various clauses of the said Bill now under consideration.

On Clauses 8 and 13,

On motion of Mr. Bennett (Grey North)

Resolved—That the said clauses be deleted.

On motion of Mr. Green,

Resolved—That, with respect to clauses 8 and 13, the following recommendation be made to the House:

With respect to clauses 8 and 13 your Committee has agreed to the deletion of the provisions contained therein. However, other amendments contemplated thereto would, to meet the unanimous views of the

Committee, also result in an increased charge upon the public. Therefore, in obedience to the Rules of the House your Committee here also feels it has no option but to delete the said clauses. The Committee would, however, recommend that the Government consider the advisability of amending subsection (3) of section 31 and subsection (3) of section 42 of the Pension Act by striking out the words "in respect of service during World War II" where they appear in the said subsections.

On Clauses 10, 11, 12 and 18.

On motion of Mr. Bennett (*Grey North*),

Resolved,—That the said clause be passed without amendment, provided that the following recommendation to the House be made in reporting the Bill 339.

With respect to Clauses 10, 11, 12 and 18 as certain amendments contemplated therein would, to meet the views of the Committee, result in an increased charge upon the public, your Committee feels that it has no option, under the Rules of the House, but to report these Clauses without amendment. The Committee would, however, recommend that the Government consider the advisability of substituting the words and figures "1st day of May, 1954" for the words and figures "1st day of January, 1954" where they appear in the said Clauses.

Clause 16 was passed.

The preamble and title thereof having been passed, the said Bill as amended was ordered to be reported to the House, together with the recommendations with respect to clauses 8, 10, 11, 12, 13 and 18.

Mr. Melville, before being retired as a witness, gave a brief statement concerning the Canadian Pension Commission, and the witness was thanked by the Chairman on behalf of the Committee.

At 9.00 o'clock p.m., the Committee adjourned to meet again at 11.30 o'clock a.m. Tuesday, June 8.

A. CHASSÉ,
Clerk of the Committee.

REPORT TO THE HOUSE

The Special Committee on Veterans Affairs begs leave to present the following as a

FOURTH REPORT

Your Committee has considered Bill No. 339, An Act to amend the Pension Act, and has agreed to report same with amendments.

With respect to Clauses 10, 11, 12 and 18 as certain amendments contemplated therein would, to meet the views of the Committee, result in an increased charge upon the public, your Committee feels that it has no option, under the Rules of the House, but to report these Clauses without amendment. The Committee would, however, recommend that the Government consider the advisability of substituting the words and figures "1st day of May, 1954" for the words and figures "1st day of January, 1954" where they appear in the said Clauses.

With respect to clauses 8 and 13 your Committee has agreed to the deletion of the provisions contained therein. However, other amendments contemplated thereto would, to meet the unanimous views of the Committee, also result in an increased charge upon the public. Therefore, in obedience to the Rules of the House your Committee here also feels it has no option but to delete the said Clauses. The Committee would, however, recommend that the Government consider the advisability of amending subsection (3) of section 31 and subsection (3) of section 42 of the Pension Act by striking out the words "in respect of service during World War II" where they appear in the said subsections.

All of which is respectfully submitted.

WALTER A. TUCKER,
Chairman.

(Presented to the House on following day).

EVIDENCE

MONDAY, 8.00 P.M.
June 7, 1954.

The CHAIRMAN: Order, gentlemen.

Mr. GOODE: I wonder if you would allow me a moment. The members of this committee from British Columbia are becoming increasingly concerned with the economic position of veterans in our province who are recipients of war veterans allowance. So, I move, seconded by Mr. J. L. MacDougall, that this committee recommend that the government give consideration to introducing legislation which will give effect to the representations submitted to the cabinet in November, 1953, by the Canadian Legion, that the rates of allowance and the maximum total income under the War Veterans' Allowance Act be increased.

The CHAIRMAN: Gentlemen, that has to do with the matter of war veterans allowances and we have decided to debate the question of pensions tonight.

Mr. BROOKS: At a meeting of the steering committee we laid down certain plans for these meetings and the understanding was if there were any other matters to be brought up they should be brought up after the pension bill was disposed of and also after we had heard the evidence of the Merchant Navy Veterans. That was the understanding of the steering committee the other day.

The CHAIRMAN: I was going to say, Mr. Brooks, that we had decided to take the Pension Act and to try to finish it tonight. So I think we should stay with that decision unless it is the wish of the committee to change it. It was the desire, I think, of everybody to try to get through with the Pension Act if we could tonight so that Mr. Melville could be released. I would hope that this other matter would not be discussed tonight. We have already arranged to have a meeting of the committee tomorrow morning to hear the Merchant Navy Veterans at 11.30, and after we have heard them we can take this motion which Mr. Goode has moved into consideration, also any other matters that any other member of the committee wishes to take up. If that is satisfactory to the committee we will go on with the consideration of the pension bill.

Mr. CROLL: Mr. Chairman, I suggest that the matter be treated as you are treating it as a notice of motion and that we continue with our other business tonight.

The CHAIRMAN: We will go on then with the pension bill. Mr. Melville and Mr. Mutch are here.

Mr. Melville is prepared to make some observations in regard to the matter on which Mr. Bennett and Mr. Green spoke during the last meeting.

Mr. Melville.

Mr. J. L. Melville, Chairman, Canadian Pension Commission, recalled:

The WITNESS: Mr. Chairman and gentlemen, towards the conclusion of the meeting on Friday Mr. Green made some enquiry with respect to World War I veterans. It occurred to me, Mr. Green, that I could be helpful to the

committee if I obtained some additional information and I would like to place it on the record. Then I will amplify that by illustrating the procedure which is in effect in the commission.

For the fiscal year, the 1st April, 1952, to the 31st March, 1953, the commission dealt with 9,961 claims arising out of World War I. Now, these were claims for entitlement for disability, entitlement for death, and entitlement for other allowances. That is the sum total of all the claims, and of that total of 9,961 we granted 4,442, and we did not grant 5,519. Of that total of 5,519, 3,456 were claims with respect to death; a World War I veteran had died and the commission was called upon to render a formal decision with respect to death. The total of these deaths is included in the grand total of the claims not granted. For the following fiscal year, the 1st April, 1953, to the 31st March, 1954, the commission rendered 7,608 decisions, of that total 3,210 were granted, 4,398 were not granted. Of that total not granted, 3,328 were death decisions which were formal decisions of the commission. I have World War II figures, but I am quoting World War I because that was the point with which the committee was concerned.

Now, too, I thought it might be helpful to the committee if I endeavoured to illustrate the procedure with respect to new claims for World War I veterans, and I will tell you of one case which came to my attention two or three months ago. I met this World War I veteran. He was a gunner and in the course of conversation he said to me: "Well, I had no complaints when I was discharged; I never got any pension, but I have been having for the last few years increasing trouble with my vision and I have consulted my own doctor and now that I am retired from business I find the costs of medical attention are becoming a little heavy. I am wondering if I have any entitlement." So I said to him: "well now, you say this was due to your service." He said: "well, I had serious trouble with my eyes as a result of gassing at Hill 70." (which many of you World War I members of this committee will remember only too well, as I do). He said: "I did not worry about it, but I now would like to know if there is anything coming to me, especially so because I need treatment." I went to my office and not only drew his file but drew the documents covering his period of service, and when I reviewed I found that he had been in hospital and had had considerable medical attention. The condition had cleared up very well before his discharge and he was retired and we had not heard from him since. Having established that state of affairs I referred his file to the medical adviser in charge of the eye division and asked him to review the case and take whatever action was indicated. It went to the senior medical adviser there. He having reviewed the documents wrote to the senior pension medical examiner in the man's district, which in this case happened to be Ottawa, and he said: "Will you please arrange to have this veteran examined. If necessary, you are authorized to have him admitted to hospital as a section 27 case, which is for observation and diagnosis." Under that classification, he would be entitled to treatment allowances during his period of retention in hospital. The gunner reported. He was seen by the pension medical examiner and referred to the eye specialist here, and a number of eye examinations and tests were carried out. The reports when completed were referred to the local pension medical examiner, who had the gunner in before him, in order to save time, examined him for the purpose of assessing what in his opinion was the extent of pensionable disability existing at that time. These reports were then forwarded to the commission, and they went to the medical adviser, who reviewed them and who submitted the claim for the consideration of my colleagues. It came forward, and when the commission reviewed the records, there was no doubt that the condition keratitis was incurred during service, and we ruled: keratitis incurred during service, award effective 12 months prior to the date of this decision.

I mentioned that he had been examined by the pension medical examiner, so that, the formal decision having been rendered by the commission, the file then went back to the medical adviser to note that the commission had ruled favourably, and then to submit a recommendation with regard to the extent of disability. The degree of disability was assessed at 30 per cent. The medical adviser expressed the opinion that the disability had been at that extent over at least the 12-month period, and so the commission awarded pension retroactively for 12 months.

Now I might finish by stating that last week I got a letter from him in which he expressed his very great satisfaction at the action that had been taken, and taken so speedily, in his favour. He said furthermore that it was just another evidence of the high regard he had for the commission, and that was very gratifying to me. There are one or two points now in connection with that. First of all, I mentioned that I met him two or three months ago. The first application he ever made was 2 or 3 months previously. But when we review a case like that we go back to his service documentation, and when we find the disability was incurred during service, the entitlement flows from service. In his case it was World War I. Therefore, we took advantage of the provisions of the Pension Act, section 31(1), and we made the award retroactive for 12 months. There was no evidence of hardship and distress, nor was any claim made, and no action was taken under section 31(2) of the Act. That, gentlemen, is the procedure which is followed in connection with these World War I claims. There is not a day during which the commission does not review a number of World War I claims and we follow exactly the pattern which I have outlined.

One added observation for the guidance of some of the members who are on this committee for the first time: there is a provision in the Pension Act, section 15, whereby, if the applicant did not have service in a theatre of actual war no award of pension may be made unless there was a disability recorded at discharge. In this case he had a disability recorded on his documents, he served in a theatre of war and his application was not fettered by section 15 of the Act. One other point: I did say that his entitlement went back for 12 months. The treatment regulation which was passed last year and became effective from 1st April, 1953, makes provision whereby he may be reimbursed, in accordance with the departmental schedule, for treatment expenses for a period of three years prior to the entitlement date of our decision—that is for expenses actually incurred. So if he wishes to claim for any treatment expenses incurred for three years back from our 12 months, he may do so and the department may consider reimbursement for treatment expenses incurred for the condition for which entitlement was conceded by the commission.

Mr. GREEN: If I remember correctly, the point that I was endeavouring to make when we last considered the Pension Act was that section 31 (3) should be extended to cover the veterans of the first world war. That is the subsection under which an additional award up to 18 months can be granted where there has been administrative delay. As members know, there is a restriction written into it that it applies only to men of the second war. I had suggested that it should be made applicable to all veterans. I presume that it would not even apply to men who served in Korea. I think the principle is sound that where there is administrative delay beyond the fault of the veteran he should be entitled to retroactive pension. One of the cases submitted by the Legion was a World War I case, case 134/12, in which they alleged delay which involved the Veterans Bureau rather than the Canadian Pension Commission. But I was urging that this section 31 (3) should be amended so that it covers all the veterans.

There is one other point too. I would like to know from Brigadier Melville whether he is now convinced that section 31 (3) stands on its own feet and is not dependent on a veteran proving hardship. We had some discussion on that point at earlier meetings, and I think I am fair in saying that it has been the practice of the commission to rule that a veteran could not get this 18 months retroactive pension for administrative delay unless he was also able to qualify for the six months on the basis of hardship. If the commission is still going to rule in that way, then I think there should be some further amendment written into subsection 31 (3) to separate the two and make it possible for a veteran to get the 18 months retroactive pension for administrative delay without having first qualified for six months under the hardship subsection.

The WITNESS: I will deal with the two points raised by Mr. Green. One is with regard to the possibility of a further retroactivation for World War I pension claims. Needless to say, if the Act is amended and any additional benefits are contained in the amendment, the commission will be glad to extend them. When I review the proceedings of the 1936 Special Committee on Veterans Affairs, I find three very definite recommendations. One is for a retroactive period, and apparently 12 months was agreed. The other was the opinion, which was very fairly reached by the committee after debate, that there were cases of hardship and distress, and to alleviate these cases of hardship and distress an additional six months was provided in the statute. With regard to the third group, the ones on whose behalf Mr. Green is speaking at the present time, maybe I would be permitted, Mr. Chairman, to quote briefly from the evidence given by Mr. J. R. Bowler of the Canadian Legion. He said:

I do suggest that the way be left open for cases where there has been hardship and distress. Someone should have discretion to make a retroactive award in such cases—particularly those, for example, where a man made application some time ago. It may be a year or two years or three years ago. He was unsuccessful in the first instance, and as a result has incurred substantial cost for medical treatment, hospitalization and so on and so forth. He eventually succeeds. It seems to me that in the type of things such as we are discussing now some provision should be made whereby he could be compensated for out of pocket expense which he would have escaped if his claim had been admitted in the first instance.

I suggest, gentlemen, that the provision which has been made by the department in treatment regulations, now in effect for nearly 15 months takes care of this last recommendation and provides for a three-year period.

Now, Mr. Green asked if I was convinced regarding the application of section 31, subsection 3 and its relationship to section 31, subsection 2.

Let me say this, Mr. Chairman, to the members of the committee, as I have in the past, there has been no occasion when the commission has not very very carefully as well as conscientiously considered any recommendation emanating from the committee.

As an example in that regard I refer you to one you know so well—the stabilization of World War I pensions. I have already discussed with my colleagues the debate which took place here last week regarding section 31, subsection 3 and may I say that there is an item on the agenda for the next general meeting of the commission at which due note will be taken and the whole subject reconsidered.

Mr. PEARKES: What about the veterans of more recent wars such as the operations in Korea? Would they be eliminated by the words "in respect to service during world war two"?

The WITNESS: I think that the point is well taken and we will examine it. It has not arisen. We have had no such claims; but again, that matter will be added to the agenda and we will be very glad to look into it.

By Mr. Green:

Q. You cannot do anything about it if that restriction remains in the Act; and it reads very clearly:

(3) Notwithstanding any limitations contained in this section, the commission may, in its discretion, in respect of service during World War II, make an additional award not exceeding an amount equivalent to an additional eighteen months' pension where, through delays in securing service or other records, or through other administrative difficulties beyond the applicant's control, it is apparent that an injustice might otherwise ensue.

Is it not a fact that so long as that restriction in respect to service during World War II remains in subsection 3 of section 31 the commission obviously cannot grant any retroactivity under that subsection; either to veterans of the first world war or to veterans of Korea?—A. The answer I think is that in 1950, when the special force was mobilized, one of the provisions with respect to mobilization was that all the benefits of the Pension Act would apply, such as the insurance principle and so on. That is why, when I was replying to Mr. Pearkes, I said that I would be very glad to look into it. I do not think that the answer is a negative one and it is worth examination.

Q. To make it certain I hereby move that the words "in respect to service during World War II" be deleted. Then it will be perfectly obvious that all veterans, no matter in what war they served, would be eligible for this 18 month retroactivity if there has been administrative delay. I think that is only fair and I do not see why the men of the first war or the men of Korea should not be entitled to that protection.

Mr. HERRIDGE: I heartily support Mr. Green's contention, and I think that while we are here we should amend the Act to include all veterans.

Mr. ENFIELD: But we do not know if that has not already been done.

The CHAIRMAN: I am trying not to make up my mind as to whether the amendment moved by the parliamentary assistant to strike out sections 8 and 13 is in order, or whether we ought to act by way of recommendation, the same as we did in regard to the amendment we desired to the Veterans' Benefits Act.

Mr. BENNETT: In that respect, Mr. Chairman, I consulted with Dr. Ollivier who gave me his opinion that because section 31 subsection 3 was in the present Act, therefore we did not need to have the consent of the governor general to expend money, and therefore it did not involve any further expenditure of money.

The CHAIRMAN: In other words, because it is already in an Act of parliament, and the bill proposed to take it out, and now it is proposed to strike out the section taking it out. Dr. Ollivier's idea is that we do not have to have a resolution authorizing us to do it. In other words, we can amend it, provided that we do not go beyond the original Act.

Mr. BENNETT: That is right.

The CHAIRMAN: Well, assuredly we cannot go any further than that—we cannot go beyond the original Act, otherwise it would mean an imposition on the revenues of the crown which was not covered by the original bill or the original resolution. As I understand it, applying it to World War I veterans might mean a further financial liability on the taxpayers or on the public, so obviously it would be out of order, Mr. Green.

Mr. GREEN: Well, Mr. Chairman, we did exactly the same thing with respect to bill 101. As Mr. Gillis pointed out there was a defect in that bill in that the unemployment insurance was not applicable to a certain group of Korean veterans. So this committee made a recommendation that the situation be met and as a result a resolution went through the House today that the difficulty be remedied. Here we have another defect which, I submit, nobody on this committee can justify and which could be treated in exactly the same way.

The CHAIRMAN: That is another matter, if that is what you have in mind, Mr. Green.

Mr. GREEN: I do not care what formality is followed to bring about the end. All I am worried about is that the end result be that this eighteen months is made applicable to all veterans, not just to veterans of World War II.

The CHAIRMAN: We have the motion of Mr. Bennett to which Mr. Green's motion does not apply because, after all, we can strike out sections 8 and 13 by motion of this committee, but we cannot put in World War I veterans without going through the form which we went through in regard to the amendment to the Veterans Benefits Bill.

Is it agreed that sections 8 and 13 of the bill be struck out, the effect of which would be that the Act would be restored to the condition in which it is at the present? In other words, the effect will be that there will be a right on the part of the commission to make retroactive awards to the extent of six months in the case of hardship or eighteen months in the case of administrative delay and the like? That is the way the law is at the present time and the bill proposed to take out the provision for retroactivity of eighteen months. Then the parliamentary assistant moved that sections 8 and 13 be struck out of the bill. Is that agreed?

Mr. PEARKES: Before you pass on that, you did not call attention to the fact that this only refers to veterans of World War II. I think that in order to keep the record straight we should have that put in.

The CHAIRMAN: I thought I did.

Mr. PEARKES: I do not think you mentioned it.

The CHAIRMAN: The Act as it is at present refers in this respect to World War II veterans.

Mr. PEARKES: That is right.

The CHAIRMAN: And the effect of striking out sections 8 and 13 of the bill will be in this respect to leave the Act as it is at the present time where it applies to World War II veterans in regard to retroactivity as to eighteen months. Is that clear to everybody?

Mr. PEARKES: Thank you.

The CHAIRMAN: Is that agreed.

Hon. MEMBERS: Yes.

The CHAIRMAN: Carried. Clauses 8 and 13 are struck out of the bill. Could we not take your motion in regard to there recommendations, Mr. Green, when we get through the other clauses of the bill?

Mr. GREEN: For the sake of the record, I think it would be better to put it in now, because it deals with the subject.

The CHAIRMAN: It does not matter to me, but it seems to me we have to report the bill, with or without amendments, to the extent we can report it. Once we know what we are putting in the bill then we can consider additional recommendations and it seems to me we should consider the bill first and then consider any recommendations that the committee might wish to make.

Mr. GREEN: That is all right.

Some Hon. MEMBERS: Yes, agreed.

The CHAIRMAN: Now, concerning clauses 10, 11, 12, 13 and—

Some Hon. MEMBERS: Clause 13 is out.

The CHAIRMAN: I should have said Clause 18—they all have reference to the cut-off date. You were going to make a statement on that, Mr. Bennett?

Mr. BENNETT: Yes, I was. As the chairman said, clauses 10, 11, 12 and 18 were stood for the reason that it is desired to change the date in these clauses from the first day of January, 1954, as appears in the present bill, to the first day of May, 1954. This is in accordance with the usual practice. You will note that in the Act as it now stands the marriage deadline date is the first day of May, 1951, and we will have to go through the same procedure, as Mr. Green has stated, as we did in the Veterans' Benefits Act. We will have to pass these clauses without amendment on the understanding that our report will contain the following recommendation to the government:—

Your committee has considered bill 339, an Act to amend the Pension Act, and has agreed to report the said bill with amendments.

With respect to clauses 10, 11, 12 and 18, as certain amendments contemplated therein would, to meet the views of the committee, result in an increased charge upon the public, your committee feels that it has no option, under the Rules of the House but to report these clauses without amendment. The committee would, however, recommend that the government consider the advisability of substituting the words and figures 1st day of May, 1954 for the words and figures 1st day of January, 1954 where they appear in the said clauses.

I am certain the honourable members are well aware of the reasons for the deadline in these clauses. It is legislation to protect the veteran and the treasury from so-called "death bed marriages," between aged pensioners and very much younger wives who, it is felt in some cases at least, might have mercenary motives. With the number of World War II veterans steadily increasing it still seems to be a wise precaution. Many of you will remember that in 1951 the cut-off date was lifted from 1948 to 1951. The principle of this deadline date was first introduced in May, 1933 and has been in the Pension Act ever since. I think we all know the trouble the United States has run into with respect to civil war pensioners in this regard.

Mr. HERRIDGE: Yes, we heard about the very virile old pensioners.

Mr. BENNETT: Yes, marrying very young brides.

The CHAIRMAN: You have heard the parliamentary assistant's suggestion that we cannot amend the bill to change the cut-off date in respect to these particular classes of applicants. It has been advanced in the bill to the first of January, 1954. He intends to make a motion that we recommend that consideration be given to bringing the date up to the first of May, 1954. Now, on that understanding shall clause 10 carry?

Carried.

Mr. GREEN: Mr. Chairman, I wonder if the parliamentary assistant could explain two or three points in connection with these deadlines? The national council pointed out that veterans, or their wives or widows, invariably lost something when these deadlines were changed. I suppose an example would be if the man had married in 1952. The way in which we change the deadline is such that there is no payment for the period from that time until the first day of May, 1954. There is a gap in most cases which is not covered. I think that is correct.

Mr. BENNETT: Brigadier Melville gave that evidence at one of our sittings, I believe.

The WITNESS: Yes. The first gap was from 1933 to 1944. Nothing was paid in that interval. In 1944 it was advanced to 1948 and nothing was paid in that interval.

Mr. BENNETT: Are the children covered, Brigadier Melville?

The WITNESS: No, the same provision in the statute applies to marriages contracted on or after the dateline and for children born of those unions on or after the dateline.

Mr. GREEN: Is there not some way in which that gap could be covered by the legislation? That is, when we raise the deadline, that payment could be made for the period during which they have not been covered?

The WITNESS: Well, when the dateline was lifted on the first of May, 1944, the very definite stipulation in the statute was that no awards of additional pension would be paid on behalf of wives or children prior to the first day of May, 1944, and that same proviso has applied in every amendment to the statute since. The principle was established in 1944 and was carried through in 1948 and 1951.

Mr. BENNETT: It would destroy the whole principle of the deadline date, would it not, Brigadier Melville?

The WITNESS: Every time there is a dateline someone is hurt. I was retired from service one day and a month or so thereafter was granted but not retroactively a clothing allowance. I do not care what dateline goes into effect, someone is hurt. I have found nothing from these veterans but gratitude for the fact that they are now getting additional pension for their wives. There are a few who are now anxiously waiting and have letters from me to the effect that there is a provision in the bill which is receiving the consideration of the Special Committee on Veterans Affairs whereby the dateline may be advanced; and if this is enacted then we will be the first to let them know and take action on their behalf.

Mr. GREEN: Another point, why should the children be subject to a deadline? The argument made by the parliamentary assistant applies exclusively, I think, to the widow. Why should the children of the veteran be penalized if they happened to be born after the deadline? I do not see the reasoning behind the argument that veterans' children should not get the allowance.

The WITNESS: Well, Mr. Green, when the amendment was first introduced it included wives and children and the same proviso has been maintained in every subsequent amendment. It has remained unvaried since the original enactment in May, 1933.

Mr. GREEN: Then there really is no argument to support the placing of the deadline in respect of the children?

Mr. BENNETT: It is the same argument, Mr. Green. It is to protect the treasury and the aging pensioners from death-bed marriages and certainly the question of children enters into it.

Mr. GREEN: Why should the child of a deathbed marriage be penalized?

Mr. BENNETT: I do not think they are being penalized as long as the deadline is being kept moving up. The whole principle of this deadline is to discourage these deathbed marriages. I do not see how you could make an exception in the case of a child. I think that has been discussed in every veterans' committee since 1933 and all committees have accepted that principle.

Mr. GREEN: Is it the intention to bring in similar deadlines against the men of the second World War? They are as yet not subject to these deadlines. They only apply in cases of veterans of the first World War. Is that not the case?

Mr. BENNETT: That is the case, but I have no idea whether similar deadlines will be brought in as far as World War II veterans are concerned.

Mr. CROLL: The first deadline was 15 years after the first World War finished. You have a little time to look forward to this.

The CHAIRMAN: Shall the clause carry?

Carried.

Shall clause 11 carry?

Carried.

Shall clause 12 carry?

Carried.

Clause 18 is a similar one.

Carried.

Now we come back to clause 16.

Mr. BENNETT: Colonel Brooks asked that that clause be stood.

The CHAIRMAN: Mr. Brooks, you asked that that be stood over. As I understand it it gives the benefit to minors who were residents in Canada.

Mr. BROOKS: As a matter of fact I did not understand it before. I understand it now, and I see no particular reason why it should stand.

The CHAIRMAN: Shall the clause carry?

Carried.

That completes the sections of the bill. Shall the preamble carry?

Carried.

Shall the title carry?

Carried.

Shall I report the bill as amended?

Carried.

The WITNESS: Gentlemen, I asked the chairman for the privilege of just saying one word. It is this: I repeat what I said when I appeared before this committee for the first time that it has always been a very very great pleasure for me to appear before the special committee of veterans affairs, and I thank all the members for the cooperation and the advice which they gave. I benefit a great deal from what takes place and so do my colleagues. The commission—and I say so very seriously—is the guardian of the rights and the benefits that Canada intended for those who met disability or death in the service of their country, and that, gentlemen, is a very very heavy responsibility. It is one which is discharged by my colleagues seriously and I want that to be fully regarded and appreciated. I take this opportunity—because there recently has been a certain amount of concern on their part—which I suppose can be understood. I desire to pay tribute to my deputy chairman for his loyal support; to my colleagues; to the medical advisers; to the pension medical examiners; and to the staff of the commission in Ottawa and throughout Canada. The male staff of the commission, with very few exceptions—and the exceptions are a few junior appointments and one or two disability cases—but, were all members of the forces. The Commission is imbued with one purpose, and one purpose only, and that is to award and not deny pension, subject at all times to the provisions of the Pension Act. I would say this: it is not easy to refuse, and I think sometimes you gentlemen do not appreciate just how difficult it is to refuse and how easy it might be for the commission to say yes. But, you cannot always do the latter when you administer this statute. We take into consideration all the factors and bear in mind the benefit of the doubt; and cannot extend the benefit when there is none. One eminent jurist has said: you cannot extend the benefit of doubt when no doubt exists.

I just wanted to take this opportunity to pay a tribute to a staff which in my opinion is loyal to the extreme and renders a great service to those who have served their country.

The CHAIRMAN: I have a motion from Mr. Bennett which reads as follows:

With respect to clauses 10, 11, 12 and 18 as certain amendments contemplated therein would, to meet the views of the committee, result in an increased charge upon the public your committee feels that it has no option, under the rules of the House, but to report these clauses without amendment. The committee, would, however, recommend that the government consider the advisability of substituting the words and figures "1st day of May, 1954" for the words and figures "1st day of January, 1954" where they appear in the said clauses.

Shall that motion carry?

Carried.

Now then, Mr. Green had an amendment. The effect of it was, Mr. Green, that you wished to move an amendment that we recommend that World War II be struck out of section 31, subsection 3. Your motion is that—it will be the same wording as Mr. Bennett's—you wished to make a motion which would read: with respect to section 31, subsection 3 of the Act your committee recognizing that it has no option under the rules of the House to pass any amendment, recommends the government consider the advisability of striking out "in respect of service during World War II" from the said section. I presume that that covers it.

Mr. GREEN: That restriction also appears in section 42, subsection 3.

The CHAIRMAN: That covers it I believe from the said sections, 31, subsection 3 and 42 subsection 3.

Mr. GREEN: Yes.

Mr. BENNETT: Could I ask Brigadier Melville a question? Have you considered whether Bill 101 would have the effect of giving the Korean veterans the benefit of section 31, subsection 3?

The WITNESS: I am sorry that I do not have that statute, but my understanding very definitely is that on mobilization of the special force all the benefits of the Pension Act in so far as they apply to World War II veterans had equal application to those who enlisted for service in the special force. I think they are fully covered.

The CHAIRMAN: I checked up on it and satisfied myself that it already covered the Korean veterans.

Mr. GREEN: That would mean a smaller charge on the treasury as only the first world war veterans would have to be covered.

Mr. BENNETT: I sometimes disagree with Mr. Green, but I do not think that there is any justification for distinguishing between World War II veterans, World War I veterans and Korean veterans. The only difference in the recommendation we propose to make here as compared to the one we made on Bill 101 is that I did have the consent of the minister and the government and I was sure that those recommendations were going to be carried out. I cannot guarantee that the government will accept this recommendation, but I do not see any harm in the committee making it if we feel that way.

The CHAIRMAN: Does anyone else wish to speak to this motion?

Mr. MacDOUGALL: Question.

The CHAIRMAN: All in favour of this motion?

Carried unanimously.

Now are there any other matters in regard to the Pension Act to be taken up?

Mr. CROLL: The Pension Act is passed.

The CHAIRMAN: Mr. Melville made a very laudatory statement, which I am sure met with the approval of the members of the committee, in regard to his staff. I am sure that everybody here would want to express appreciation to him for the splendid work he has done over such a long period of years for the veterans of this country.

Some Hon. MEMBERS: Hear, hear!

The CHAIRMAN: We certainly wish you Mr. Melville, a very successful and satisfactory journey overseas, and a safe return.

The WITNESS: I wish you were all going to be shipmates.

Mr. MUTCH: Would you mind praying for me while he is away?

The CHAIRMAN: The deputy chairman wants you to be easy on him while the chairman is away.

As the committee knows, we decided to hear the merchant navy veterans tomorrow at 11.30. That will actually conclude the matters referred to us, but I suppose the question will arise if it is proper and necessary for us to make a further report other than reporting the pension bill with the two recommendations that we have passed tonight. However, we can discuss that at the conclusion of the submission of the merchant navy veterans, and I hope everybody will be here, because that should wind up our proceedings for this session.

Mr. BROOKS: Will there be a representative of the department here?

The CHAIRMAN: Yes, there will be the deputy minister and perhaps the assistant deputy minister. Could you be here tomorrow at 11.30, Mr. Burns?

Mr. BURNS: Yes.

Mr. PEARKES: Will there be representatives of the Department of Transport? I understand that these witnesses will be here to discuss vocational training, and there are certain schemes under the Department of Transport for the education of seamen. Would it be helpful to have representatives of the Department of Transport?

The CHAIRMAN: That will be discussed with the Department of Transport. We will adjourn till tomorrow at 11.30 a.m.

The committee adjourned.

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Canada, Veterans Affairs, Special
Committee on 1953/54

HOUSE OF COMMONS

First Session—Twenty-second Parliament

1953-54



SPECIAL COMMITTEE

ON

VETERANS AFFAIRS

Chairman: W. A. TUCKER, Esq.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 13

TUESDAY, JUNE 8, 1954

WITNESSES:

Mr. A. J. Heide, National Secretary, The Canadian Merchant Navy Veterans Association; Mr. E. L. M. Burns, Deputy Minister, Dep't Veterans Affairs; Mr. F. S. Slocombe, Supervisor of Nautical Services, Dep't of Transport; Mr. E. W. Crawford, Director of Vocational Training, Dep't of Labour.

MINUTES OF PROCEEDINGS

House of Commons, Room 430,
TUESDAY June 8, 1954.

The Special Committee on Veterans Affairs met at 11.30 o'clock a.m. The Chairman, Mr. Walter A. Tucker, presided.

Members present: Messrs. Bennett (*Grey North*), Brooks, Cardin, Cavers, Croll, Dinsdale, Enfield, Forgie, Gauthier (*Portneuf*), Gillis, Goode, Green, Hanna, Harkness, Hollingworth, Henderson, James, Herridge, Jones, Jutras, MacDougall, Nesbitt, Pearkes, Philpott, Quelch, Tucker, Weaver, and Weselak.

In attendance: Mr. E. L. M. Burns, Deputy Minister, Department of Veterans Affairs; Mr. G. L. Lalonde, Assistant Deputy Minister; Mr. C. B. Topp, Chief Pensions Advocate; Mr. E. V. Wilson, Travelling Inspector, Veterans Bureau; Mr. E. J. Rider, Research Adviser, of the Department of Veterans Affairs; Mr. D. M. Thompson, Chief Welfare Officer, Canadian Legion, B.E.S.L.; Captain F. S. Slocombe, Supervisor of Nautical Services, Department of Transport; Mr. E. W. Crawford, Director of Vocational Training, Department of Labour; Mr. A. J. Heide, National Secretary, Canadian Merchant Navy Veterans Association.

The Chairman introduced Mr. A. J. Heide and invited him to address the Committee. The witness presented a short brief and was questioned thereon at length and, at the conclusion of his examination, he was thanked by the Chairman on behalf of the members of the Committee.

Mr. Burns was heard briefly on certain points arising out of Mr. Heide's examination.

At 1.15 o'clock p.m., the Committee took recess.

AFTERNOON SITTING

The Committee resumed at 3.30 o'clock p.m. The Chairman, Mr. Walter A. Tucker, presided.

Members present: Messrs. Bennett (*Grey North*), Brooks, Cardin, Cavers, Croll, Dinsdale, Enfield, Forgie, Gillis, Goode, Green, Hanna, Harkness, Hollingworth, Henderson, James, Herridge, Jones, Jutras, MacDougall, Nesbitt, Pearkes, Philpott, Quelch, Thomas, Tucker, Weaver, and Weselak.

In attendance: Messrs. Burns, Rider, Thompson, Heide, Crawford, and Captain Slocombe, already indicated as in attendance at the morning sitting.

Captain Slocombe and Mr. Crawford were, in turn, called and questioned at length on matters arising out of the submission made in the morning by Mr. Heide, on behalf of the Canadian Merchant Navy Veterans Association.

The Chairman thanked the witnesses who were retired.

(The afternoon sitting was interrupted between 4.15 o'clock p.m. and 5.15 o'clock p.m. because of a division in the House and in reason of the fact that Bill 339, An Act to amend the Pension Act, was under consideration by the Committee of the whole.)

At 5.45 o'clock p.m., the Committee adjourned to meet again at 11.30 o'clock a.m., Wednesday, June 9.

A. CHASSÉ,
Clerk of the Committee.

EVIDENCE

June 8, 1954.

11.30 a.m.

The CHAIRMAN: We have with us this morning Mr. A. J. Heide, who is national secretary of the Canadian Merchant Navy Veterans Association. He desires to make a submission to us.

Mr. A. J. Heide, National Secretary, Canadian Merchant Navy Veterans Association, called:

The WITNESS: Mr. Chairman and members, in your considerations dealing with the plight of the men who served Canada in two wars, we urge that you include Canada's wartime merchant seamen.

With the government's sanction, Canada's merchant fleet has been dissipated and, unlike the other three forces which are still asking for men, the merchant seamen find themselves unable to follow the only profession they know.

And the government has made no provision for their reestablishment in civilian life.

To alleviate this situation, our association asks that your committee recommend for wartime merchant seamen:

(1) CIVIL SERVICE PREFERENCE:—A goodly number of seamen could be absorbed in the civil service, provided they had veterans' preference. On the waterfront, for instance, seamen would be preferable help. This measure would be of no cost to the government.

(2) VETERANS' LAND ACT:—As the members of this committee are aware, a goodly proportion of the navy and merchant marine personnel came from the prairies. The seamen from those parts do not want vocational training, do not want to go into any other business except farming. As this association understands from government figures, the Veterans' Land Act has not been costly legislation, so the financial aspect should be no bar to giving seamen this privilege.

(3) HOUSING:—Again, as this association unsuccessfully pleaded before a Veterans Affairs Committee in 1949, we ask your committee to recommend that members of our service be granted the same privilege of establishing a home and raising a family as have the members of the other three forces. Here, again, we understand this legislation is proving successful and no financial drain on the government.

(4) VOCATIONAL TRAINING:—On December 30, 1953, the "Toronto Star" carried a despatch saying that about 600 seamen, laid off as a result of United Kingdom ship transfers, would be given vocational training along similar lines to those in 1950 when the government transferred 92 Canadian vessels.

The following telegram refutes this:

Dated: Ottawa, April 1, 1954.

To: Canadian Merchant Navy Veterans Association,
77 Victoria St., Toronto.

Reference your telegram twenty-ninth displaced merchant seamen may register at nearest National Employment Service office for employment or unemployment insurance benefits. If no suitable available employment seamen may be referred to provincial vocational training centres operated by agreement with federal Department of Labour. This department has no active vocational training program respecting displaced merchant seamen.

Signed: Minister of Transport.

The last sentence of the telegram is, of course, the weakness of the scheme. We ask that your committee recommend seamen be granted training under the same set-up as the government had in effect in 1949 and 1950, namely, The Veterans' Vocational Training Scheme.

Should the question of financial outlay be a factor in your committee's decision, may we suggest that the government's decision to withdraw its three million-dollar yearly subsidy to Canadian shipping is largely responsible for the seamen's situation and that this sum could well be spent on rehabilitating the men it has put out of work. Remember, this association is only pleading for those men who risked their lives for Canada, many of them in both world wars.

Mr. Chairman and gentlemen, it is nice to see Mr. Tucker here. He was one of the first men we approached when we came to Ottawa in the first place to get some of the legislative measures for rehabilitation of the men who served in Canada's wartime merchant navy. While he has been, as it were, in the thick of the wild west for a few years, he has managed to come back to civilization.

The CHAIRMAN: I would not agree with that, Mr. Heide.

The WITNESS: I was born in his constituency, but I was disappointed yesterday when he told me that the place of my birth does not exist any more, at least so far as he knows. Of course, that was before his time; it was then the Northwest Territories, it was not Saskatchewan.

I am hoping that, among other things, perhaps this committee could recommend to the government that the legislation dealing with the men who served in wartime in the merchant navy could allow them to be regarded as in the same category as the other three forces. Under present policy we are classified as civilians. That may have been reasonable in the day of the windjammer and so on, but now with the increased activity on the seas in the way of submarines and aeroplanes we are strictly an armed force. When I was classed as a civilian, which the government maintains that I was during the war; it was rather hard for me to believe that I was a civilian in so far as on every ship on which I sailed we had numerous guns, Oerlikons in the way of air defence, four and twelve pounders, ashcans, and various other means of defence, which we, of course, used. On every ship on which I sailed I was always stationed on some gun turret or in some way on the defence of the ship. Not only that, but we are much more vulnerable, say than even the navy, because a battleship, a destroyer or whatever it may be, even a little corvette, is distinctly built to defend itself, and if it is hit, it in many cases can escape going down because of its airtight compartments that can be shut off in certain portions of the ship, whereas if you are sitting in an oil tanker it is possible that if you only light a match you can blow yourself up.

If we could be classified as an armed force, then all this contention regarding rehabilitation legislation and veterans' benefits would, of course, obviously be done away with. Legislation that you have recommended in the past has always been referred to the Department of Transport for ruling. In other words, the Department of Veterans Affairs refuses to take any action whatsoever unless the Department of Transport first approves it. Of course, the Department of Transport has its own way of dealing with these matters. They, of course, are also, I would imagine, pressured by the shipping companies to keep us as civilians in order that they can operate the shipping industry and maintain some sort of hold over the ships when war is over. It is rather surprising that the country would allow a ship to be built with government money and then farmed out to a private concern, to operate on a cost-plus basis. I do not suppose that there is anyone in Canada who would not raise their voice if, say, planes were built by the government and farmed out to some aviation company to run on a profit basis, or if tanks were built by the government and run by some individual on a profit basis; yet that is exactly what is done in the case of the merchant ships.

Then, of course, they are sold to the individual shipping companies. After the war they were sold at a fraction of the cost at which they were built and, of course, the shipping companies, as you know, have since taken various measures of getting away from Canadian registry. They have registered them under Panamanian, Honduras, Greek and every other registry you might know of. Not only that, but the situation is aggravated considerably by the government allowing them with their own help to be transferred to U.K. registry. I think that in the last number of transfers of ships that took place sometime in December, 1953, 90-odd ships, with 600 and some men, were affected. Now, it is impossible for a Canadian to sail on a British ship with British wages, because the amount he would receive per month would not even pay his rent in Canada, let alone support his family. The result, of course, is that these men are now facing the problem of getting employment. No matter how long you serve in the merchant marine, you gain very little ability to adjust yourself to civilian life. You know nothing when you go to an employer and he wants to know what you can do. You can say you can splice a rope or operate a winch, but it is of very little use to you in civilian life.

That is the reason, of course, why the government agreed several years ago to open up vocational training for us, and it has proved to be very successful. In this respect, again, we ask that it be dealt with by the Department of Veterans Affairs. In the past with respect to the vocational training order the Department of Transport ruled that only those who had signed the pool agreement were eligible for any benefits. And out of 1,100 and some odd applications which were made in the first six months of vocational training, 400 and some odd were turned down because the men had not signed the pool agreement.

Many of the men did not even know that this pool agreement existed. Perhaps they had never been in Canada for the duration of the war because they had been transferred to the ships of some other country such as the United Kingdom, Norway, or Greece. It may be that perhaps they had not touched at a Canadian port for the duration of the war, and in some cases probably not for three or four years.

The order was passed in the latter part of 1943, I think, when Canada was very short of help in her merchant navy as an inducement to maintain a supply of manpower for the merchant navy, and they had this pool agreement under which, if you signed it, you got a ten per cent bonus.

The men who knew nothing of this pool agreement or of its existence—not through not knowing of it, but through not having signed the pool agreement—were not eligible for vocational training or for any of the other benefits which the government has given to the men who served in Canada in the wartime merchant navy.

We maintain that if a man served, regardless of whether or not he signed the pool agreement, but just so long as he signed for the duration of the war, that he should be eligible for any benefits which might accrue to the men of our services.

We ask for certain specific recommendations and you have them before you. We are very mild in our suggestions to this committee in view of the fact that it is hard to get the government to agree to any measure of legislation for the men of our service.

But I would just like to suggest or to remind this committee that we are still not eligible for any pensions whatsoever or for any hospitalization or medical care whatsoever unless we were injured by direct enemy action.

I think it was Mr. Green who said in the House a few years ago that the legislation meant that you practically had to be hit directly on the head by a torpedo before you could qualify. The men who were injured in other ways than by enemy action would not be pensionable.

We have had cases where the man fell down a hole during a blackout and was crippled for life, and has to remain in a wheelchair. Yet he cannot even qualify for vocational training because he had not signed the full agreement.

In several of those cases the association itself has borne the expense of getting these men some training. One boy in Vancouver who is in a wheelchair for life took up the trade of leather-craft and he is now able to make purses and slippers and things like that.

In the case of the armed forces, a soldier or sailor might fall down the steps of the House of Commons here and if he should break his back he would be pensionable for life. Yet for the man serving in the merchant marine during our blackouts, who fell down and injured himself, there is no relief in the way of pension or hospitalization.

Now, dealing with the few points which we suggest such as the civilian preference, a lot of these men are now out of jobs as a result of the transfer or sale of their ships, and I might say that I think out of 600 and some odd ships which were under the Canadian flag during the war, at the present time there are only 13 or 16 sailing now under the Canadian flag.

A lot of those men who have spent a goodly number of years at sea are now at an age when they are a drag on the labour market not only because of their age, but, as I explained before, because they have not a trade.

A marine engineer with a first-class merchant ticket cannot get a job on shore because the stationary engineers will not recognize a marine ticket. He has to go to a recognized school and take a certain course and then sit for his stationary engineering ticket.

He may already have a first-class marine ticket, but when he comes out of school he has only a fourth-class engineer ticket. However, that is better than nothing, at least, if he can get a job. But the merchant navy man cannot get the preference for a job on the dock or on the seaway where at least he is acquainted with the nature of the work. That is a point which we think this committee might well consider and make some recommendations upon. We urge that the civilian preference be made available to the men who served in Canada's wartime navy.

Neither my association nor I represent sailors. We represent solely the men who served in wartime, both in world wars one and two. It would be a big help to give the Civil Service preference, especially to those men of an age when they are frowned upon by industry and employers generally.

As to the Veterans' Land Act, when I made a trip through the prairies last year I stopped off to see our members in the prairie provinces. That was one measure that they, of course, were more interested in than anything else. In other words, they did not want to become plumbers, electricians, carpenters, bricklayers, barbers, or cooks. They wanted to have a piece of land and they wanted to have a farm.

They cannot understand it. Alongside of them, perhaps, there may be a chap who served in either of the forces and perhaps never got out of Canada—not because he did not want to go, but because the government decreed that his services were more valuable in Canada. They cannot understand why this man should be entitled to treatment under the Veterans' Land Act or to have some land holdings whereas they, having done their measure of service, are not entitled to it.

As we understand it, there is a 20 per cent write-off? Is that right?

The CHAIRMAN: It varies. The maximum is \$2,320.

The WITNESS: We understand that the men who have taken advantage of the Veterans' Land Act, are pretty well paying their way and that the measure has not cost the government a great deal. We were under the impression from articles which appeared in the Canadian press a while ago that there would be vocational training for the men who were out of work as a result of the transfer of these ships, but we found that that was not a fact. I have tried to trace the source of the information. The House was not in session at the time. I tried to trace through the Canadian press the source of their information and I suppose for their own protection they would not give me the exact source but they assured me it came from what they considered a responsible authority. However, when we were in touch with Mr. Chevrier, the Minister of Transport, he advised us that the only available training would be through the dominion provincial agreement. In a telegram dated April 1st, 1954, addressed to the Canadian Merchant Navy Veterans Association in Toronto, Mr. Chevrier said this:

Reference your telegram twenty-ninth displaced merchant seamen may register at nearest National Employment Service office for employment or unemployment insurance benefits. If no suitable available employment seamen may be referred to Provincial Vocational Training centres operated by agreement with Federal Department of Labour. This department has no active vocational training programme respecting displaced merchant seamen.

Signed: Minister of Transport.

We are hoping that this committee will make a recommendation that the training program, as we had it in 1950 and 1951, will be reinstated. I think that pretty well sums up our position. If there are any questions I will be glad to answer them.

Mr. MACDOUGALL: How many members do you have in your organization who served in both wars?

The WITNESS: Approximately 3,000 members. It is in the process of fluctuation because some fall behind in the payment of their dues, but we maintain about 3,000 members.

Mr. WESELAK: How many men would be affected as coming from the wartime merchant marines?

The WITNESS: When I appeared before this committee several years ago I was asked the same question. It is impossible to give you the figures for the merchant marine service for the simple reason that there was no record kept. A man signed up and went on one or two trips or possibly stayed throughout the war and some were killed. There is no record. Mr. Walter Woods and Brigadier Melville were at the last session as representatives of the

Department of Veterans Affairs. I made an estimate at that time. When the pools came into force in 1943 there was a registration of approximately 10,000 and I estimated that perhaps another 5,000 had passed in and out previous to that. Many were killed in battle. Death took a lot of them and, of course, some could not take it any more and quit. Both Mr. Woods and Brigadier Melville agreed that I was close when I said 15,000.

We must remember there were quite a few old country people who were brought over here to man the ships because Canada did not have a source of supply in regard to engineers and deck officers. We had to get them from the old country. I have sailed with men as old as 75 and 80 even, who came back into service to man the ships; otherwise we could not have sailed because we simply did not have the officers.

Mr. HERRIDGE: I was interested in your comment that a merchant engineer with a first class certificate on shore could only get a job as a fourth class engineer after taking an examination.

The WITNESS: He would accept that fourth class certificate because he could not get anything better. First you take the course and then you work for a certain length of time and then you sit in for the second class certificate and then work on a higher pressure boiler and then sit for the first class certificate.

Mr. HERRIDGE: And then you apply for your old age pension?

The WITNESS: Yes, just about.

Mr. HERRIDGE: Does that mean some other branch does not recognize the marine ticket?

The WITNESS: Operating engineers will not recognize the marine ticket?

Mr. QUELCH: Men of the merchant marine who are pensionable are eligible to go under the Veterans Land Act. Have you any idea how many settled under that Act?

The WITNESS: Well, no, I do not have any idea but I imagine there would not be very many because there are not very many who qualify for pensions in view of the present legislation which requires that you must be injured by direct enemy action. The majority of those who were injured by direct enemy action are lying at the bottom of the Atlantic.

By Mr. Enfeld:

Q. You say in your submission that this is to include Canada's parttime merchant seamen. Are you limiting your proposal to merchant seamen who served in wartime and who are members of your association?—A. No, not necessarily members of our association. When the Legion pleads for legislation it is for the men who served in Canada's war service. They do not limit it to members of their organization.

Q. You say no records were kept of the men who served, the length of time they served, and where they worked?—A. Not until such time as the manning pool was established in 1943.

Q. Up until 1943 they had no records?—A. The government had no records.

Q. But from 1943 until when do you have proper records?—A. Up to the end of the war.

Q. Until 1945?—A. Yes. The pools were closed down when the war ended.

Q. Does that mean you would have to limit any claim to the period from 1943 to 1945 for anyone who served in the merchant navy?—A. No, because after 1943 it was quite a cinch to sail. By that time we had decent convoys. The men who deserve every consideration are the men who served on old tubs in 1939, 1940 and 1941 when there was no protection whatsoever. You would have one destroyer for 20 or 30 ships.

Q. You can foresee an administrative problem there, can you not?—
A. No, each man will have his papers showing when and where he sailed. He has his papers from the shipping company.

Mr. FORGIE: Do the shipping companies have the records?

The WITNESS: Yes, he will have his payoff slips to show he sailed on certain ships.

Mr. ENFIELD: Are you taking into consideration the areas where people might have served or are you including any merchant seaman who might have served?

The WITNESS: No, the legislation is all based on service in what they call "dangerous areas." It includes from a certain point in the St. Lawrence river where subs sank a couple of ships to the Atlantic and Pacific seaboard.

Mr. MACDOUGALL: Particularly Murmansk?

The WITNESS: Yes, that was a dilly.

Mr. QUELCH: In 1942 when we were considering the Veterans Land Act we had a submission from the merchant seamen. The witness was Mr. Randles, the director of merchant seamen of the Department of Transport. When appearing before the special committee on land settlement of veterans of the present war on June 23, 1942, Mr. Randles said:

It is respectfully submitted that merchant seamen, subject to qualifications as outlined herein may be embraced and permitted to participate in the benefits of the proposed Land Settlement Bill.

I am wondering if Mr. Heide would agree with the qualifications Mr. Randles made at that time. He said:

With the foregoing evidence that merchant seamen are recognized in a special manner as performing dangerous duties, which can be regarded in line with those performed by the armed forces, it is recommended that Canadian merchant seamen be permitted to participate under the Land Settlement arrangements, provided that their record shows they have served for an appreciable period in dangerous waters or zones during the present hostilities, and I would suggest that a period of three months service might be taken as a guide to determine their eligibility to participate. This is in line with the general requirements for the issuance of a merchant navy badge. In any case, under circumstances where a Canadian Merchant Navy badge is not issued, evidence of service in hazardous zones can be provided by the seamen's discharge documents.

Would you agree pretty well with that qualification?

The WITNESS: Yes. Mr. Randles, by the way, was the head of the manning pool and the director of the merchant seamen during the war. He came from the Cunard Steamship Lines and is back with them now.

Mr. QUELCH: I think it is interesting to note the reaction to the brief at that time. Mr. Murchison, who is the director of the Veterans Land Act, was before us at that time and he said: "I agree with Mr. Randles' idea."

Then the honourable Ian Mackenzie stated: "My own opinion is that the men of the merchant navy are entitled to any and all of the privileges which anybody else serving in this war overseas or anywhere else gets. As I see it, they are twice as much in the line of fire." That was the opinion of the Minister of Veterans' Affairs of that day. When the Act was drawn up we only included the merchant seamen who were pensionable, and later on in 1945 and 1946 when it was again brought up I remember Mr. Ian Mackenzie suggested that it would not be wise to include them in the Act at that time because it was desirable that they continue to serve in the merchant marine if needed, but that at a later date when these men were no longer required it

might be advisable to bring them in under the Act. Now might be an advisable time to bring them in. We could spare a number of men from the merchant marine.—A. Spare them! You can spare them all right. They simply have not got ships to sail on. You members are partially responsible for this situation—at least those on the government benches—in so far as you acquiesced to the transfer of these ships and let the shipping companies transfer them to other registry.

Mr. HERRIDGE: Has the witness any idea about how many of the merchant seamen would be likely to take advantage of the provisions of the Veterans Land Act?

The WITNESS: That, of course, is impossible to say, Mr. Herridge. I would imagine it would not certainly be any more than the percentage that have taken advantage of the Veterans Land Act from the other services which I believe is about 10 per cent.

The CHAIRMAN: It might be between 5 and 10 per cent by very rough figuring.

The WITNESS: Yes.

Mr. DINSDALE: Can you tell us how many casualties there were in the merchant marine during the war?

The WITNESS: Again you see there were no figures kept. You have to go to every shipping company and every ship master and find out how many of a crew were lost or how many killed through action, because there was no record kept until 1943 when the pool was established. Then, of course, there was a record kept. But, the government agrees, and so does the Department of Veterans Affairs, that our ratio loss of life was higher than any of the three forces.

The CHAIRMAN: During the time that the pools were in operation there were about 15,000.

The WITNESS: 10,000 was the highest that were registered.

By Mr. Croll:

Q. Mr. Heide, is vocational training not available to merchant seamen in the federal-provincial operated institutions?—A. Yes, they can apply the same as any other unemployed man can. That was established, Mr. Croll, I believe because the Unemployment Insurance Commission felt that if they could teach some of the men who were continually coming to them for unemployment insurance a trade they might get them off their hands and gainfully employed. Of course an unemployed seaman can go through all that same rigmarole. You only get your unemployment insurance while you are undergoing training and payment for part of your course. We would like the training to be available the same as it is through D.V.A. where the government provides the course and you get so much. In the case of a single man it is not too bad because the amount he would be drawing through unemployment insurance would be about the same as through the D.V.A., but in the case of a married man with children the amount that he would be drawing through D.V.A. would be much higher than the amount he would be drawing in unemployment insurance.

Q. Have you many of those?—A. How many would take advantage of it, I do not know, but certainly the men who took advantage of the training when it was instituted in 1950 were sufficient to warrant the measure having been passed.

Q. How many did?—A. I think about 2300.

Q. Took advantage?—A. Across Canada.

Q. Can you break them down as between single and married?—A. No, I cannot.

By Mr. Dinsdale:

Q. Mr. Chairman, how many merchant navy seamen have become eligible under the existing veterans legislation? Could the departmental officers answer that?—A. The D.V.A. could tell you. They are eligible only if they are eligible to pension.

Q. How many pensioners were there?—A. I do not know how many pensioners there are. D.V.A. could tell you.

The CHAIRMAN: I doubt if we can make any recommendation in this matter; but I thought there was sufficient sympathy for the position of the merchant seamen and the steering committee thought, and the committee agreed with it, that on that basis they would hear Mr. Heide and perhaps hear from somebody from the Department of Transport and somebody from the Department of Labour and we would have some facts made available for the members so that they could make representation to the government; and of course there would be some effect too in the fact being brought out in the press. So I asked the deputy minister if he would arrange to have somebody here from the Department of Transport and he has Captain Slocombe here, and from the Department of Labour we have Mr. A. W. Crawford, who was formerly with the Department of Veterans Affairs on vocational training. I thought perhaps, by unanimous consent, when we get through with Mr. Heide the committee members could ask any questions they wished to of these gentlemen with the idea of getting all the information they could and might use it in regard to supporting any part of the request made by Mr. Heide. If you will conclude your questioning of Mr. Heide, then we will call Captain Slocombe and Mr. Crawford if the committee wish to hear them.

By Mr. Green:

Q. I understand, Mr. Heide, from your brief that you are requesting first of all that the merchant navy be made eligible for the veterans preference in the civil service?—A. That is right.

Q. At the moment does that privilege extend to the merchant navy men who have qualified for disability pension?—A. Well, if they are disabled to the extent that they are drawing a pension there are very few of them would be capable.

Q. I quite agree with you that practically none have been able to qualify because the rules under which they could qualify were so strict. Then, the Veterans Land Act. You are asking that merchant navy seamen be made eligible for assistance by way of getting a farm or a small holding or if they happen to be fishermen?—A. Yes.

Q. Do you know if many of your men have gone into the fishing business?—A. Naturally there were quite a few of them who were requisitioned by the government during the war, especially on the east coast in the larger fishing boats for patrol work.

Q. On the east coast quite a few fishermen went into the merchant navy?—A. The vessels even were requisitioned for patrol purposes.

Q. Then, on vocational training you are asking particularly that the men who have been displaced within the last few months by reason of the transfer of Canadian ships to U.K. registry should be given the same privileges that were made available back in 1949 and 1950?—A. That is right.

Q. And you say that would cover about 600 men?—A. Oh, no. It would cover many more than that. There were 600 affected in the last transfer of ships last September, 90 some ships; but this has been going on for the last three years.

Q. What you are in effect asking is that the vocational training plan which was in operation in 1949 and 1950 should be opened up again and any merchant navy men who could qualify should be given eligibility?—A. That is right.

Q. That is what you are asking now?—A. Yes, that is right, Mr. Green.

Q. In that case, was it not restricted to those who had signed the manning pool agreement?—A. I would like to have that restriction taken off, that manning pool bonus.

Q. You would like to have that lifted, so that men who served before the manning pools were set up would be eligible for this vocational training, as well as those who signed the manning pool agreement?—A. I explained a while ago, and I thought I made it clear, that even when the manning pool was established in 1943 there were hundreds and hundreds of men who never touched a Canadian port from 1943 till the end of the war and, therefore, could not sign because they never knew there was such a thing as a manning pool agreement.

Q. You are asking that the restriction to men who signed the manning pool agreement should be lifted in so far as the rights are concerned?—A. Any of the legislation.

Q. I heartily agree, but I just wanted to make clear what it was you were asking.

By Mr. Pearkes:

Q. May I get this clear in my head, whether or not those who are to be eligible for these various benefits are to be limited to merchant seamen who actually served during the years of the war in dangerous waters? There is no thought is there of asking for this vocational training for men who have joined the merchant marine since the war and who had no experience of serving in dangerous waters? Would not a number of the 600 seamen referred to in the "Toronto Star" be young men who had not served during the war period? Are you asking that they should have the advantage of the vocational training, or are you limiting the benefits solely to those who served in dangerous waters during the war years?—A. Only those who served in dangerous waters.

Q. And your reason for bringing this recommendation forward now is because of the change in the situation regarding the Canadian merchant fleet? Over the course of the years the Canadian merchant fleet has been practically disbanded, therefore, these men have not the opportunity now of continuing in their chosen profession, as was the case when this matter was considered by this committee, when the late Mr. Mackenzie suggested that it be not dealt with at that time because of the hope that these men would continue in the merchant marine? Now, because Canada has practically no merchant marine you feel that this whole problem should be reviewed; is that the situation?—A. That is right, General Pearkes.

By Mr. Jones:

Q. A statement was made that certain fishing vessels, and presumably their crews, were taken over by the Canadian navy. Were they placed under the command of the navy or were they on their own?—A. I am not so much acquainted with that, sir, but I would imagine that they would be to a great extent under the navy.

Q. They were sent on patrol duty, so I take it that they took their orders from the Royal Canadian Navy?—A. Of course, we took orders from the British Admiralty too.

By Mr. Nesbitt:

Q. Reference was made several times this morning to "dangerous waters". Could you clarify exactly what those areas were? Who laid them down, in other words?—A. The government made the ruling that the dangerous waters were considered as, say, from the point in the St. Lawrence river where

the submarines were active and then from there to the Atlantic seaboard and anywhere in the Atlantic and, of course, in the Pacific. Once you are out in the ocean you are in dangerous waters.

Q. Are those laid down in some regulation?—A. Yes, they are.

Q. Do you know if they include the Bay of Furdy, for instance?—A. Yes, naturally they would.

By Mr. Gillis:

Q. I think your answer to General Pearkes was in error. Your answer to his statement could be construed as meaning that the reason that you are before this committee now is because of the merchant marine service folding up and being handed over to foreign flags. That is not true. The fight to have the merchant marine declared the fourth arm of the services has been on since 1940. I know that Mr. Green and myself many times discussed it in the House. I think that is the answer to your whole problem; that instead of making these demands which get confused the fight should be made to have the merchant service during the period of the war declared the fourth arm of the services, and then you automatically come into all the benefits. —A. In my opening remarks I asked that this committee recommend that in future wars the merchant navy be considered an armed force.

Q. Why future wars? My contention has been, ever since the formation of the merchant service at the beginning of the war, that it should be considered the fourth arm of the services, because without the merchant navy during the last war everyone in Britain would have starved to death regardless of how many guns they had. If there was any service that really took it on the chin it was the merchant service, and as far as I am concerned I think we should still continue to fight for them. The position the government has always taken on that question has been that the armed services as such were under the government for all purposes but that the merchant marine was a private enterprise organization?—A. That is right.

Q. And that they should have made some provision for rehabilitation after the war was over. Now, I know that Mr. Green and myself always fought for the merchant marine to be recognized as the fourth arm of the services, which it certainly was during the last war. I still think that to avoid confusion in making many demands we should still pursue that matter of having it recognized during the period of the war as the fourth arm of the services. There are many more statistics available than Mr. Heide indicates. I listened to a broadcast from Vancouver only a few weeks ago, commemorating the Battle of the Atlantic. Whether the figures were accurate or not, whoever was making that broadcast had the number that served, the number of casualties, the number of ships, and all kinds of data like that, and when you listened and heard the figures of casualties in proportion to the number that served, the casualties were something terrific. My only purpose in getting up was to keep the record straight. This is not a new fight because the merchant navy is going down the drain now; it is an old fight, and I think that to keep it simple and plain we should still insist that the merchant marine in the last war was not just a civilian organization; it was a very essential and important part of the armed services and should be recognized as such. Then all the other benefits that flow from veterans' regulations should be applicable to those who can produce records at least.

The CHAIRMAN: I think that the records referred to, showing the number of wounded and those who lost their lives, were placed before some veterans affairs committee in 1946 or 1947. I think at that time it was brought up before this committee. My recollection is the same as that of Mr. Heide's statement this morning that the number of merchant marine casualties proportionately to those serving was higher than in the armed services. That is my recollection of it according to those figures.

Mr. BROOKS: Mr. Chairman, I also want to associate myself with the modest Mr. Gillis and Mr. Green, because I remember that upon many occasions I have spoken in this connection in the House.

Mr. GILLIS: Well, Mr. Green was the leader. That is why I mentioned him.

Mr. BROOKS: And as to the matter of the fourth arm of the services, we did recognize it on a good many occasions. There is one question about whether they were not recognized as the fourth arm of the services. What about the men who served in ships from Canada or any other country, if they lost their lives or were wounded. I don't mean wounded. Mr. Heide spoke of a man falling down a hatch. If they were hurt, did they not receive compensation under the Workmen's Compensation Act? I think that is one reason why they could not receive further compensation, and one reason why their pensions were not as extensive as they otherwise would have been. I think they came under the Civilian War Pensions and Allowances Act, and I think also under that Act it was stated that if a ship were sunk and the men lost their lives, that all they had to prove was that the men were on the ship at the time it was sunk.

I wonder if that applied only to the men after 1943 under the manning pool, or whether it applied to the men who served before 1943, or whether the matter was not complicated by their being associated with Workmen's Compensation Acts, not only in Canada but of other countries. I wonder if Mr. Heide would have a word to say in that connection.

The WITNESS: If a man lost his life, his dependants would be pensionable, regardless of whether or not he had signed under the manning pool.

In respect to workmen's compensation I think that only Ontario and British Columbia, from the beginning, recognized merchant seamen under their workmen's compensation Acts, and it got so bad that eventually put all merchant seamen—I think again it was 1943—under the Civilian War Pensions and Allowances Act.

Mr. BROOKS: Was compensation made in other countries? Would a man who served under the Greek flag come under the compensation laws of Greece, or were there any?

The WITNESS: I do not know of any.

Mr. BROOKS: I remember applying for compensation for a widow whose husband had lost his life, I think it was, in a Norwegian ship. We were able to get compensation although it was not very considerable.

Mr. GREEN: Was not a fact that one of the big difficulties was, that in the case of illness it was almost impossible for the merchant navy man to qualify for a pension? Suppose he got malaria or tuberculosis; did you not find there was practically none who qualified in the case of sickness, and there was no compensation for a man who became sick either, as I understand it?

The WITNESS: This association has helped about 40 men who had tuberculosis. The pattern is practically similar in every case. They were youngsters. Some as young as 14 years of age got into the merchant navy. After a couple of trips across the North-Atlantic or to Murmansk—because their lungs were not developed, they were very subject to pneumonia. There was no medical provision for the merchant navy whatsoever. Sometimes they had tuberculosis for several years before it caught up with them. They would fall down and somebody would say: "This man is sick", and he would be taken away to hospital and found to have tuberculosis.

During the time this association has been in existence, during the last seven years, we have helped about 40 of them to get into sanatoria. We have one at Jericho, one at Brantford, and one who just came out of the western hospital about a year ago. They are all pretty well out now. One

thing which helped somewhat was that the government extended correspondence courses to the men who were in hospital with tuberculosis and other injuries, and quite a few of them took advantage of those courses.

MR. GREEN: You mean the provincial governments?

THE WITNESS: No, I mean under the legion's scheme. You remember the correspondence courses they had under the D.V.A. I think it was, which were initiated by the legion. In fact, one of the men from Vancouver who was in Jericho took the accounting course. He is now with the firm of Griffith and Griffith and is doing very well.

MR. MACDOUGALL: For those people who were in the merchant navy and who went "down to the sea in ships", and I mean who really went down, there was no compensation paid, for instance, to the surviving widows?

THE WITNESS: Yes, there were pensions.

MR. MACDOUGALL: You mean they were eligible for pensions as under the other three services?

THE WITNESS: Yes, widows' pensions.

MR. HERRIDGE: I want to associate myself with Mr. Gillis and Mr. Green. I have sat with them on the committee since 1945. I think that Mr. Gillis hit the nail on the head. This is a very complicated and difficult question and if we could settle the position of the merchant navy as being the fourth arm of the service, I think we could settle all these other questions quite easily.

MR. ENFIELD: Does any other country recognize the wartime merchant navy service as the fourth arm of the services?

THE WITNESS: The only two countries which give them all the benefits which they have for their service men are New Zealand and Australia.

MR. ENFIELD: New Zealand and Australia.

THE WITNESS: We have one man who served in the Canadian merchant navy and he wrote to me two months ago to say he had just got £5,000 with which to start a farm in Australia. You notice I said pounds, not dollars.

By Mr. Goode:

Q. What was the difference in pay between a sailor in the merchant navy and the man who served in the regular forces in the same job?—A. That is a question of course that always comes up. I would like to refer you to *Hansard* for July 7, 1947, in which I think Mr. Green asked Mr. Chevrier what the pay was of the merchant navy man in 1942 when the battle of the Atlantic was going on; and Mr. Chevrier's statement was that the able-bodied seaman was the highest paid man aboard ship—not including the commissioned ranks; in short, that the "AB" was the highest paid man, and that he received \$47.07 a month. Of course there was no pool in existence at that time and if there had been he would have received \$47.07 twice.

Q. Did that include the 10 per cent under the manning pool?—A. There was no such thing then.

Q. What about those men who signed under the manning pool; what did they get?—A. The highest pay which I ever drew was in the latter part of the war when we got a raise. This 10 per cent business was not a bonus; it was absolutely necessary to give us more money because we were starving to death. I drew \$133 and some odd cents a month, and I had a wife and three children to support; I had to buy all my own clothes, and clothes were a big factor in the merchant navy because you either had to have decent clothes or freeze to death. That 10 per cent was not really a war bonus, but when they gave us that raise the shipping companies asked that it be described as a war bonus in the hope that when the war was over they could knock it off so that it would not be included in our wage schedule.

Q. You still have not answered my question. What was your pay in total as against the navy pay? I am not criticizing your statement at all, but I would just like to know.—A. As I say, the highest pay the merchant seamen received was \$130 a month. That was only in the latter part of the war. In 1942, as Mr. Chevrier said, it was \$47.07 a month. In between ships you had to feed yourself, and get yourself a room to stay in, and buy your clothes, and you could imagine that the merchant seamen did not draw a great deal of money.

Mr. GOODE: The reason I asked the question was because of the fact that I disagree entirely with Mr. Gillis and Mr. Green. In the last three years there have been two delegations to my home in Burnaby representing the merchant seamen in regard to the veterans affairs committees and when I asked them, "Would you desire, in the case of another war, that the merchant service become a fourth arm of the service?" they definitely said "no." If that is the feeling of the merchant seamen who served in the last war, I would wonder if the submission you have given us represents their idea. That is what they said to me.

By Mr. Nesbitt:

Q. I can speak with some knowledge because of the fact I spent some little time in the navy which is sometimes called the "first arm" of the service. Is it not your contention to include the merchant service not as a direct fourth arm of the service coming under the government but rather as a fourth arm—because of the peculiar exigencies of modern warfare and the activities of the merchant service—and the fact that although you do not actually fire guns in the theatre of warfare you would like to be a fourth arm of the service for the purposes of veterans benefits, pensions, and for all the benefits under the Veterans Land Act and so on? You would like to be considered a fourth arm of the service for this purpose alone, is that not the point?—A. As far as the membership of this association is concerned we are on record as asking the government in a petition some while ago that we be considered, in the case of war, an auxiliary of the navy.

Q. You are saying that in event of a future war that you be made an auxiliary of the navy? In other words, virtually a part of the naval service?—A. That is right.

Q. I think that answers my question. You wish to be included as a part of the naval service?—A. There is a bill before the American House of Representatives now in which we point that out.

The CHAIRMAN: For the information of the committee, I was trying to recall in my own mind what had been done as a result of looking into this matter by the Special Committee on Veterans Affairs of 1945 and 1946 and I now recall that the Civilian War Pensions and Allowances Act was passed, and it provided for pension being paid at the same rate as under the Pension Act to Canadian merchant seamen and salt water fishermen and there was a provision for pension for disability, death, and so on. Also it provided for the auxiliary services personnel and for civil Canadian firefighters for service in the United Kingdom and there was provision for the Royal Canadian Mounted Police and provision for payment of pension for injury during remedial treatment and also provision for dealing with overseas welfare workers, and the Canadian civil air pool of the Royal Canadian Air Force transport command. Those who were on the committee at that time will remember that we went into those matters at considerable length. The difficulty, as has been pointed out by Mr. Green, is that the basis for qualification for pension was made very narrow. Actually I was trying to remember if we had done anything as a result of the representations which had been made when this Act was originally passed in 1946 but, as has been pointed out, I see that although the provision

for qualification is wide enough the people to whom it will apply are those persons who served on a Canadian ship or a certified non-Canadian ship during the war and who as a result of enemy action or counter action taken against the enemy suffered injury or disease or aggravation thereof resulting in disability or death. That was what cut down the real advantage of the Act to your people in regard to pensions?

The WITNESS: Yes.

The CHAIRMAN: We can get the figures which will tell us the number who did qualify under that Act. Mr. Burns has the figures here and I am sure the committee would like to have the information placed on the record.

Mr. MACDOUGALL: Let us hear it.

Mr. GREEN: What was the answer Mr. Heide was looking for?

The WITNESS: In regard to the merchant seamen being considered an auxiliary of the navy, when this association passed the resolution that we were in favour of being made an auxiliary of the navy in the case of war I received a letter from Vice Admiral Grant saying that he was very pleased and it would be given every consideration by the Canadian navy.

The CHAIRMAN: If there are no more questions of Mr. Heide we could perhaps finish with him now and then take the figures from the departmental people who are here.

Some Hon. MEMBERS: Agreed.

The CHAIRMAN: Are there any other questions?

Some Hon. MEMBERS: No.

The CHAIRMAN: Thank you very much, Mr. Heide. We will get some figures now to fill in some of the points that were raised by the members. I do not think there is any doubt that there is a great deal of sympathy for the people whom you represent on account of the great contribution you made towards the winning of the war, and the very high proportion of casualties your people suffered in connection with their service to the allied cause.

Some Hon. MEMBERS: Hear, hear.

The WITNESS: The trouble is, Mr. Chairman, that medals and platitudes do not do us very much good.

The CHAIRMAN: That is quite true. Mr. Burns, could you give us the figures?

Mr. BURNS: Mr. Chairman, the following are the figures taken from the last annual report of the department as to disability and dependent pensions payable to merchant seamen. These are divided into those pensions that are paid directly and those pensions which are supplemental to pensions granted by some other country. We supplement dependent and disability pensions of this kind in the same way as we supplement those pensions granted to members of the armed forces by countries other than Canada. The number of disability pensions is 38, and the number of dependent pensions is 365. In the supplemental category there are 43 disability pensions and 101 dependent pensions, making a total of 81 disability pensions and 466 dependent pensions. I do not know, Mr. Chairman, whether it would be of interest to the committee to hear the statistics of the training given to merchant seamen under the orders in council passed in 1948 and 1949, but I have them here if you wish to hear them.

The CHAIRMAN: I think that the committee would like to have them.

Mr. BURNS: The procedure was to refer applications to the Department of Transport to determine whether the applicants qualified by reason of having been members of the manning pool and the other grounds for qualification. 1149 applications were reported to the Department of Transport for approval

and of these 696 were approved. The remainder for one reason or another were not eligible. Of the 696, 519 reported to the D.V.A. for training, but 175 did not report and the applications of two were deferred by reason of illness. Of those 519 for whom training was arranged, I am informed, two are still in training as river pilots. 367 completed the approved training, and 14 are continuing at their own expense. The remainder, for one reason or another, discontinued training.

The CHAIRMAN: Now, does the committee wish to hear from Captain Slocombe representing the Department of Transport who could give us an idea of what they have done or are doing in respect of this matter? It is five minutes to one. If the committee wish we could hear from Captain Slocombe perhaps in the five minutes that are left.

Mr. GREEN: We also have to hear from the Department of Labour.

The CHAIRMAN: We may as well go on until one o'clock. This gentleman is Captain F. S. Slocombe, Supervisor of Nautical Services, Department of Transport.

Mr. QUELCH: If the brief is going to take any time would it not be better to adjourn?

The CHAIRMAN: Captain Slocombe, could you give us any idea how long it would take you to give us your brief?

Mr. SLOCOMBE: I am glad you have asked that question because I have no brief. I just heard about this meeting an hour or so ago and I have nothing prepared.

The CHAIRMAN: You are prepared to answer questions?

Mr. SLOCOMBE: Yes.

Mr. HENDERSON: I would suggest that we adjourn until after lunch.

The CHAIRMAN: Mr. Crawford is here as director of Vocational Training of the Department of Labour and I take it, Mr. Crawford, that you have not a brief and are just here to answer questions?

Mr. CRAWFORD: Yes, sir, I am here to answer questions.

The CHAIRMAN: I suppose the committee would like to continue on with this matter this afternoon at 3.30.

Mr. GREEN: There is the debate on wheat in the House this afternoon and I cannot imagine any prairie farmer being willing to sit anywhere but in the House when the wheat debate is on.

The CHAIRMAN: I would like very much to be there but I realize that there is a desire to get this veterans affairs committee work finished and if it is the wish of the committee we will adjourn until this afternoon at 3.30.

Agreed.

AFTERNOON SESSION

The CHAIRMAN: Gentlemen, we have a quorum. Mr. Heide said that he had to leave on the train this afternoon; so he will not be able to stay with us until the conclusion of our meeting. Now we have with us Captain F. S. Slocombe, of the Department of Transport, and if he will come forward the committee may ask him some questions.

Mr. F. S. Slocombe, Supervisor of Nautical Services, Department of Transport, called:

Mr. HERRIDGE: Could Captain Slocombe give the committee some idea of what his department has done for the merchant seamen?

The WITNESS: At the outset I think I should say that the department has given sympathetic consideration to all these requests that have been put forward, and there have been requests made by Mr. Heide in the past on several occasions. Of course, our policy in the matter has been governed by this parliamentary Committee on Veterans Affairs. There is no thought of belittling or playing down what the merchant seamen have done or were doing during the war. I had the job of taking the "Montcalm" to Murmansk in 1942 and I can assure you in regard to the men there, although they had no rigid discipline, while under attack en route and while in Murmansk, their behaviour left nothing to be desired.

It is admittedly hard for those people to take. For instance, in the matter of the civil service preference, while they were actually manning the guns and "fighting ship" they would be overridden by somebody who perhaps had been in the navy but had never seen any action. But one has to be fair in this comparison of the services. The men of the merchant navy did not hand over their lives, their souls and bodies for an indefinite period. They signed on voluntarily each trip. At the end of the voyage they could quit, as Mr. Heide perhaps inadvertently admitted this morning. That was not so in the armed forces. Now, it was for that reason perhaps that the proviso was made in regard to the benefits which were granted that they must have signed a manning pool agreement which did tie them down for a certain period, two years.

I would like to run through, since a member asked, just what was done. First, there was protection against disability or death by enemy action or counteraction against the enemy, by pensions on a scale equivalent to those of the Royal Canadian Navy. There was hospitalization for non-pensionable disabilities incurred in service at sea. I have not the details, but I think that that question came up this morning. Then, pensioners were entitled to the benefits of the Veterans' Land Act and the technical training program as established for discharged members of the forces. There was hospitalization and treatment of a pensionable disability and benefits under the Veterans Insurance Act.

Mr. GREEN: Was the Veterans Insurance Act only for pensioners?

The WITNESS: Yes, sir. There are 35 pensioners, I have here, including Newfoundland.

Then there was the war service bonus and other benefits granted under order in council P.C. 149/2705 in April, 1944. These were granted to those who signed a manning pool agreement on or after April 1, 1944, to serve for two years or the duration of the war, whichever was the lesser: (1) the war service bonus, of 10 per cent of total annual earnings; (2) the equivalent of two days' leave per month of service paid at the end of each year; (3) reduced fare round trip rail transportation; (4), basic pay for a maximum of 12 weeks, if incapacitated by sickness or injury. Then there was another order in council, in May, 1945, approving a special war service bonus, extending the benefits of the previous bonus to seamen who had service prior to April 1, 1944 and were not in manning pools then.

Mr. BROOKS: Was there a cutoff date for application for that bonus?

The WITNESS: I have not it here, sir.

Mr. HEIDE: May I answer that?

The CHAIRMAN: Yes.

Mr. HEIDE: There was definitely a cutoff date. We got it extended for, I think, a six-month period, in view of the fact that these men were not notified of that bonus in any way. The government just passed the Act, but there was no way of contacting the men except through press reports, but the government was quite reasonable in that respect. There are still many men that did not even hear of it afterwards.

Mr. MACDOUGALL: Could we not hear the witness' statement without interruption, and then ask questions afterwards?

The CHAIRMAN: He asked for permission to answer the question that was asked. Mr. MacDougall. Let us proceed.

The WITNESS: All seamen entitled to such bonus were also entitled to: (1) the rights, benefits and privileges of the Veterans Insurance Act; (2) vocational training of a restricted nature to increase their skill and knowledge for advancement in the merchant navy; (3) all the provisions of the post-discharge re-establishment order respecting vocational and technical training benefits, under P.C. 5210 of July 13, 1944. The deadline for the bonus and benefits was advanced several times, finally to coincide with the expiration of the War Measures Act to March, 1947.

Then there was coverage for merchant seamen under the Unemployment Insurance Act. On October 1, 1946, merchant seamen were given this coverage. Seamen who had been in receipt of the war service bonus or special bonus were given credit for wartime service without payment of contributions.

On January 1, 1949, vocational training was brought in. By this order the scope of vocational training aforementioned was enlarged and made similar to that granted veterans through the Department of Labour. It was confined to men eligible for bonus and under 30 years of age. You have had the statistics as to the number already tabled. The closing date for that was the 29th June, 1949. On December 13, 1949, the time limit for the applications was extended to September 30, 1950. Discretionary powers were given jointly to the Minister of Veterans Affairs and the Minister of Transport to approve training for merchant seamen over 30 years of age who were unemployed. This training did not include university training or pre-university training.

That is the outline of what was done. Now, I heard Mr. Heide this morning mention the question of wages. I just looked that up. In 1942 the basic wage for able seamen was \$56.20 per month, but there was on top of that a war risk bonus of \$44.50, paid by the ship owners. I may say, Mr. Chairman, also that this latest proposal to extend the vocational training benefits so as to make them available to the seamen who are now being displaced by the transfer of registry of Canadian ships has already been considered on the highest level and it has been turned down, although it was, I may say, considered on the basis of everybody who is now being displaced.

The CHAIRMAN: Are there any other questions?

Mr. JAMES: By "everybody", whom do you mean?

The WITNESS: The seamen who have been displaced, irrespective of whether they served during the war.

By Mr. Green:

Q. What is your department doing now for the merchant seamen who had war service?—A. It is just for those who are residual, those who are left still having training, Mr. Green.

Q. We had evidence this morning from General Burns that there were two still in training. Are there only those two whom you are concerned with?—A. I think so. It is just the residual number who have not completed the training which they were granted.

Q. I think you said in your statement that nobody could get this training unless under 30 years of age, is that right?—A. There was an amendment to that which extended it to those over 30 years of age. Perhaps Mr. Crawford could tell us that. The Department of Labour administers this training. We merely process the men and say whether they are eligible or not.

Q. I know for a time the provision was that they could not get it if they were over 30 years of age. That ruled out a great many of the men. Has it been changed?—A. I see under P.C. 6227 of December 13, 1949, the time limit for applications was extended to September 30, 1950, and discretionary powers were given jointly to the Minister of Veterans Affairs and to the Minister of Transport to approve training for seamen over 30 years of age.

Q. How many over 30 years of age got the training?—A. I have not got that.

The CHAIRMAN: We will get that from the Department of Labour when Mr. Crawford is called.

By Mr. Green:

Q. Only those who had signed the manning pool agreement were entitled to this training?—A. That is right.

Q. And if a man had been in the merchant navy before the manning pool was set up which, as Mr. Heide said, was the most dangerous time, he could not qualify. Is that right?—A. Yes, that is right.

Mr. QUELCH: What was the date when it was set up?

Mr. GREEN: 1944?

Mr. CROLL: When was the pool set up?

Mr. CRAWFORD: 1943.

The WITNESS: The bonus was granted to those who signed under the manning pool on or after April 1st, 1944.

Mr. QUELCH: Was there any agreement prior to that date?

The WITNESS: The special war service bonus was extended to seamen who had served prior to April 1st, 1944. So the men having service prior to then did qualify for the bonus, and if so, they were entitled to these benefits.

By Mr. Green:

Q. Would your department be in a position now to carry on with a plan of this type if we should recommend that such a plan be continued?—A. I presume that the machinery could be set up with the co-operation of the Department of Labour, as has been done in the past.

Q. Would there be any serious obstacle to getting a vocational training plan underway again?—A. Not so far as I know, if it were policy to do it.

Q. You rather suggested that this committee had been responsible for the merchant navy men not getting more benefits. You said you were restricted by what this committee did. I think that is entirely wrong. This committee has always been very favourably disposed. Could you tell me of any restriction this committee has placed upon these men?—A. Our policy has always been guided and controlled by the findings of the committee of veterans affairs.

Q. Well, if our wishes had always been followed by the Department of Veterans Affairs, these men would have got much more help. In any event, this committee was never responsible for the cutting down.

The WITNESS: Then I stand corrected, sir.

Mr. GILLIS: You see, this committee cannot make government policy.

Mr. QUELCH: We can only recommend. That is all.

The WITNESS: The policy may be made by the government.

Mr. DINSDALE: I think the witness said that all merchant seamen retroactively became eligible for the bonus. Is that so regardless of whether they signed the pool agreement or not?

The WITNESS: I am afraid you have touched me at a weak spot because I cannot answer the question.

The CHAIRMAN: I think that P.C. 49/2705 dated April 18, 1944 covers that point. It reads in part:

...authorized the payment of a war service bonus of 10 per cent of total earnings to any seamen who signed an agreement to join a manning pool and serve at sea on foreign-going ships of Canadian registry for a period of two years or for the duration of the war, whichever might be the lesser period. The bonus was payable from the date of signing this agreement or, in the case of a man on the strength of a manning pool or serving in a foreign-going ship at the date the order in council came into effect and who immediately signed the agreement on discharge from his ship, from the 1st of April, 1944. The bonus was payable at the end of every 12 months' continuous service commencing from the date of the signing of the agreement or the 1st of April, 1944, as the case might be.

Mr. DINSDALE: It was only paid to those who signed the agreement.

The CHAIRMAN: Yes.

Mr. CROLL: That is not what he said.

The CHAIRMAN: There was a special bonus.

Special bonus.

Order in Council P.C. 3227 dated May 3, 1945, provides for it. It authorized the payment of a special bonus of 10 per cent of all earnings, excluding overtime, for all service in dangerous waters between September 10th, 1939, and April 1st, 1944, subject to the following conditions:

- (a) The seamen must have performed at least 6 months' service in a ship of Canadian registry in dangerous waters; and
- (b) Seamen must have signed a manning pool agreement or, prior to August 31, 1945, agreed to serve for the duration of the war if required.

So it was paid as 10 per cent for service between September 10, 1939, and April 1st, 1944.

Mr. QUELCH: The seamen actually got a bonus if they signed up for the duration of the war.

The WITNESS: For two years or the duration of the war, whichever was the lesser.

Mr. CROLL: After they joined the manning pool they were eligible for the retroactive pay, and if they were with a British pool they were also eligible for the active pay.

Mr. QUELCH: And prior to 1944?

Mr. CROLL: If they subsequently joined the manning pool they were paid for any service occurring 6 months prior to 1944.

Mr. DINSDALE: Are there any statistics to indicate how many did join the manning pool?

The CHAIRMAN: I had a figure of 15,000 in my mind according to the evidence of the Department of Transport witness. He also recommended that a man who signed a longterm contract prior to the 31st of August, 1945 should be eligible for the special bonus.

I am now reading from the report of the 1945 committee. We recommended that an interdepartmental committee procure all the information possible in regard to all the claims being made by other than ex-service personnel. There was a large number of them at that time asking to be given more consideration. Therefore an interdepartmental committee was set up and

they made a report to the committee on March 26, 1946, which report is part of the record of this committee. It deals with all the facts in regard to the different groups. The part in regard to merchant seamen is known as section 7 (a), and it is to be found on page 36 of those proceedings (Special Committee on Veterans Affairs, minutes of proceedings No. 1, dated Tuesday, March 26, 1946).

By Mr. Herridge:

Q. Is it correct to say that your department, Captain Slocombe, really only certifies as to the qualifications of the seamen with respect to the various benefits which have been listed?—A. That is right. We have the records of all individual seamen.

Q. And the other department administers the legislation?—A. That is right.

Q. What procedure does your department follow in getting in touch with the seamen or with the seamen's organization to inform them as widely as possible of the benefits which have been available to date?—A. I cannot answer your question in detail, but the matter, I can say, was advertised in the newspapers, and of course the seamen's organizations were informed.

Q. By your department?—A. Yes.

By Mr. Henderson:

Q. You were here this morning, Captain Slocombe, when it was suggested that the merchant navy be the fourth arm of the services. I wonder if you could tell us from your own experience with merchant seamen whether they themselves would wish to be the fourth arm of the services and be subject to the discipline and regulations to which those three services are subjected during a period of war or in peacetime? You may have an idea from your own personal experience in that regard, and I thought you would be a good man to answer the question.—A. I understand, Mr. Chairman, that merchant seamen are of a different type now from what they were twenty years ago. But I do not think the men with whom I served would take very kindly to the rigid discipline of the navy. They liked their freedom. But I really should not answer that.

MR. HENDERSON: You would not like to make any remarks about the current situation?

THE WITNESS: No.

MR. DINSDALE: I think the suggestion was made that there was a good deal of transiency during the war among the sailors when they signed on. Have you any idea how extensive that transiency would be among the personnel?

THE WITNESS: That is what makes it so difficult to compile any statistics for merchant seamen. You know the Canada Shipping Act requires articles of agreement to be signed every voyage. That was carried on during the war and when they completed the voyage they signed off. Unless they were on a pool agreement and the pool kept track of them, we did not know what happened to them. They could sign on another ship or take employment otherwise unless they were under some wartime rule.

MR. DINSDALE: There were 15,000 sailors who signed the pool agreement. What percentage of the total number available would that be I wonder?

THE WITNESS: We have no idea. There were many people who did go to sea for a while and then went back to other employment.

MR. DINSDALE: How many would be in service in the merchant marine during the war at any one time?

The WITNESS: I do not have that information. It has been mentioned, I think, that a lot of Canadian seamen did have service in ships of other registry. Apart from other difficulties we only have records of Canadian ships. The articles of agreement and the log books are delivered to us after completion and we have them in the department.

The CHAIRMAN: It says on page 39 of the previous committee's evidence:

All foreign going ships of Canadian registry were manned from the pool and, in some cases, seamen were assigned to coastal trade and to ships of allied registry. The strength of the pool during the last three years of the war was approximately 7,000 men. The Transport Department witnesses estimated that approximately 15,000 men will have received either war service bonus or special bonus.

Mr. HARKNESS: That is at any one time?

The CHAIRMAN: It was approximately 7,000. That was the report of the interdepartmental committee.

Mr. DINSDALE: That is, those who had signed on at the pool?

The CHAIRMAN: It says:

All foreign going ships of Canadian registry were manned from the pool and, in some cases, seamen were assigned to coastal trade and to ships of allied registry. The strength of the pool during the last three years of the war was approximately 7,000 men. The Transport Department witnesses estimated that approximately 15,000 men will have received either war service bonus or special bonus.

Apparently there was quite a turnover.

The WITNESS: It says that the strength of the pool was 7,000 approximately.

Mr. HARKNESS: That was on a 100 per cent turnover then?

The CHAIRMAN: Yes. I think the members would be interested in the casualties because it was in the evidence some place and it should now be put on the record. Mr. Randles, who gave the evidence before the interdepartmental committee, stated:

Mr. Randles stated that the percentage of casualties in the merchant marine was greater than in any of the other services. At the beginning of the war, there were 1,100 seamen serving on ships of Canadian registry. Fatal casualties during the war were approximately 1,200. The United Kingdom had approximately 38,000 fatal casualties since September, 1941, out of a total strength at the beginning of the war of 185,000. There have been relatively few injuries, most of the casualties being fatal.

This appears in the report of 1946.

Mr. NESBITT: Mr. Chairman, I wonder if I might ask a question of General Burns. It is related to something you were touching on and that is why I mentioned General Burns who might be the better person to answer. My question is this. General Burns gave us some figures before we adjourned with respect to injuries and those who applied for pension and were receiving pensions, and you have just made some remarks with respect to the number of casualties who were fatally injured. What I would like to get at is this: There were a great many casualties of a permanent type during the war. There was a type of casualty called "immersion foot" which developed when the feet or legs were left in cold water for long periods of time and this invariably happened when there were survivors after a ship sank. There was quite a lot of discussion at the time as to whether people would recover from this permanently or whether their recovery was temporary and they would be affected by it some time in the future. I wonder if you have any information on that.

Mr. BURNS: I am sorry, Mr. Chairman, that we have no medical information as to whether pensions have been granted as a result of the condition which Mr. Nesbitt describes or as to whether any treatment was granted. I will try to find out about it and let Mr. Nesbitt know, if you wish.

Mr. NESBITT: I am very interested in that. Apart from burns it was apparently the greatest single casualty that was suffered.

Mr. JAMES: This morning General Burns mentioned some figures concerning the number of seamen who started training and the number who finished and did not finish. I wonder if we could have those figures again? It seemed there was a high percentage who did not finish.

Mr. BURNS: There were 519 merchant seamen for whom training was arranged and what has happened to them is as follows: Two are still in training, as I mentioned; 367 have completed the training approved for them; and 14 are continuing on at their own expense. Of those who discontinued, 31 withdrew voluntarily without any given reason; 24 withdrew to take employment not in line with the training they were undergoing; 22 withdrew to take employment in line with the training they were taking; 31 stopped because of their inadequate progress or absence; 10 returned to sea; 6 stopped for reasons of health; 5 stopped for financial reasons; 3 joined the armed forces and four failed to report for training.

Mr. JAMES: Thank you.

Mr. GILLIS: Mr. Chairman, that 10 per cent war risk bonus was only paid on the basic able seaman's rate of \$56.50 a month?

The WITNESS: That was in addition, Mr. Chairman, to basic pay and was equal all over the ship. Everyone got the same war risk bonus.

Mr. GILLIS: The able seaman's rate was \$56.50 a month and you applied 10 per cent to that?

The WITNESS: No. This war risk bonus was paid by the ship owners. That is not the bonus that was paid by the department, it is a different thing altogether. This was just an increase in wages, you might say; a blanket increase given to everybody.

Mr. GILLIS: That is 10 per cent?

The WITNESS: No, \$44.50 was added to every person on the ship.

Mr. GILLIS: By the ship owner?

The WITNESS: Yes.

Mr. GILLIS: A 10 per cent war risk bonus was paid by the government?

The WITNESS: The 10 per cent war bonus was paid to manning pool signatories and was paid by the government, yes. Ten per cent of the basic pay was the amount.

Mr. CROLL: Captain Slocombe, am I wrong in assuming that you said that after the manning pool agreement the seamen received \$56.20 plus \$44.50?

The WITNESS: That was independently of the manning pool agreement; that is when they were actually working.

Mr. CROLL: Yes, \$56.20 plus \$44.50 if they were working?

The WITNESS: Yes, that is while they were actually at sea.

Mr. CROLL: For how long?

-The WITNESS: \$44.50 per month added to the \$56.20 per month.

Mr. CROLL: That was not what I understood the witness to say this morning.

Mr. MACDOUGALL: Neither did I.

Mr. CROLL: I understood him to say this morning—I have my notes with me—something like \$44.70 and the 10 per cent, say \$4.70, I remember that—about \$49. I was under the impression the seaman got \$49 or \$50 a month. That was the impression I had from the witness this morning and for that reason I wanted to be clear and to be sure I heard you properly.

Mr. HARKNESS: He said in 1942 it was \$44 and something, and at the end of the war he was getting \$133.

Mr. CROLL: No, he said—it was not the same question—that personally, as an able seaman, he received that because he had a wife and three children. I believe that is what I heard him say.

Mr. QUELCH: In 1942 he was only getting that amount?

Mr. CROLL: I do not know.

The CHAIRMAN: "Canadian rates of pay are based on those paid by United Kingdom operators. The basic rate at the outbreak of the war for an able-bodied seaman was \$52.50 per month. In 1941 a 25 per cent war risk bonus was added for service in dangerous waters." "In 1942 the basic rate was increased to \$70 a month plus \$19.93 cost of living bonus and a flat war risk bonus of \$22.25. In 1943 the war risk bonus was increased to \$44.50 where it remained until the 31st December, 1945, making a total of \$89.93 a month basic pay plus \$44.50 while at sea."

The WITNESS: That is right. That is in 1945.

The CHAIRMAN: Yes, and then the war service bonus was 10 per cent of total earnings, Mr. Gillis, and the special bonus was 10 per cent of all earnings excluding overtime.

Mr. GILLIS: That works out properly now. It was misleading before.

The WITNESS: Mr. Green asked how many men over 30 applied for vocational training. I have only the applications; I do not have the number who received vocational training. Applications submitted under that Order in Council over 30 years of age were 246.

Mr. CROLL: But, at the moment he can obtain that training under the new scheme that Mr. Crawford heads in the Department of Labour no matter how old he is. If he is susceptible to the training it is here for him, is it not?

The WITNESS: For these present displaced persons.

Mr. CROLL: Under present circumstances?

The WITNESS: Yes. It comes under the unemployment insurance scheme.

Mr. GREEN: He would not get any allowance except what he got under the special plan in 1948-1949?

The WITNESS: That is all finished except for these two who have not quite completed their training.

Mr. GREEN: The only training he would get now would be the same as any civilian?

The WITNESS: Yes.

The CHAIRMAN: We might hear Mr. Crawford and come back to Captain Slocombe if there are any further questions later.

Mr. E. W. Crawford, Director of Vocational Training, Department of Labour, called:

The CHAIRMAN: Have you prepared any statement?

The WITNESS: No, I have not sir.

The CHAIRMAN: Perhaps you would tell the members of the committee just what you are doing in respect to merchant seamen in your department right now.

The WITNESS: Mr. Chairman and gentlemen, we have at the moment no direct connection with merchant seamen as such. When the Canadian ships were being placed under British registry there was a proposal submitted to the department that we work out with the Department of Transport, a rehabilitation program for displaced merchant seamen. As you have heard, that has not materialized. The decision now is that any merchant seaman who is displaced from employment because his ship is sold or placed under British registry may apply for training as an unemployed person in Canada. I will explain the operation of this provision for training.

Under the Vocational Training Coordination Act there are four federal-provincial agreements; one is known as the Vocational Training Agreement under which are operated seven different types of training. One schedule, commonly called schedule M, governs training for unemployed persons. It is under this schedule that these men may obtain training.

Unfortunately the schedule is not in operation in all provinces. Newfoundland does not operate under this schedule, nor does Prince Edward Island. In Ontario the only provision is for people who are disabled.

The CHAIRMAN: As soon as the division is over, we will return.

Mr. BENNETT: The pension bill may be called immediately afterwards.

The CHAIRMAN: If the pension bill is called afterwards we will resume after the completion of the pension bill.

... The committee adjourned for a division in the House.

The CHAIRMAN: Order. We will hear from Mr. Crawford now. He was just nicely started when the division bell rang.

Will you please take up more or less where you left off, Mr. Crawford. You will have to review what you had said briefly.

The WITNESS: Mr. Chairman and gentlemen, I was telling you that schedule M is the schedule under the vocational training agreement which now applies to merchant seamen displaced from employment because of either sale of their ship or transfer to British registry. In effect it means this: if any merchant seaman who is out of employment and registers with the Unemployment Insurance Commission for a job and there is no job available, he may be referred by the Commission for training under schedule M in any suitable occupation. I said that in the provinces of Newfoundland and Prince Edward Island schedule M is not in effect. In the province of Ontario schedule M applies, at the moment, only to disabled persons. In the other provinces special classes are operated and unemployed persons are referred to any available source of training. They may be trained in private or public operated schools, or professional or technical institutes, or in apprenticeship or on the job. The length of the training under that schedule is limited to twelve months, and if the trainee is in receipt of unemployment insurance benefit that benefit continues during the period of his training. If his period of entitlement expires before the period of training is ended, he may then be placed on training allowances which vary in each province. They are not fixed by the Government of Canada. In the province of British Columbia no allowance is now being paid, but in the other provinces the allowance varies from \$9 a week up to about \$20 a week, or a little less, which is approximately the same as the U.I.C. benefit.

I think I have said all that I should at the moment. There will probably be questions.

By Mr. Green:

Q. Mr. Crawford, could you explain to us the operation under the former plan for merchant seamen. That is where you were contacted by the Department of Transport and then you took on training. Just what was the type of training given them?—A. I think you are referring to the D.V.A. The merchant seamen who served in dangerous waters during the period of the war were eligible for the vocational training benefits of the veterans. They made application which was referred to the Department of Transport for verification of qualification, and the Department of Veterans Affairs provided the training the same as for any eligible veteran. The Department of Veterans Affairs did use the Department of Labour as one source of training, but they also placed many persons with private schools. When I speak of the Department of Labour I mean the facilities of Canadian Vocational Training which is in effect on a cooperative plan with all of the provinces.

Q. What would be the difference to the merchant navy man if he were under a scheme of the same kind as that which was in force in 1948 and 1949?—A. The main difference would be that he would have entitlement to a rehabilitation program. In other words, it would devolve upon the department to find the type of training he required, also he would receive an allowance in excess of any allowances now payable under schedule M.

Q. It would apply in every province?—A. It would apply in all provinces.

Q. Now, you say that there was no provision made in Newfoundland, and in Ontario there was provision only for disabled persons?—A. Because of provincial government policy. Under Schedule M we assist the provinces in putting on classes for unemployed persons. The onus rests entirely on the province. Under a rehabilitation program the onus for training would rest with the federal authorities. We might ask the provincial authorities to assist by giving the training and we would pay the full cost. Under Schedule M we pay only 50 per cent of the cost.

Q. Then to a merchant navy veteran the benefits would be considerably greater if he were put under the type of scheme such as was used in 1948 and 1949?—A. The type of training would be the same but would not be limited to 12 months. The allowance would be greater, and he would be assured, as a matter of right, of getting training if he qualified.

Q. From the point of view of the Department of Labour, would there be any administrative difficulties in carrying on a scheme of that kind again?—A. No, merely a matter of increasing facilities and getting more money. We would have to have money for that purpose.

By Mr. Herridge:

Q. You said that the seaman was entitled to vocational training if he was unemployed or could not obtain employment. You mean, could not obtain employment as a seaman?—A. No, any suitable employment. Reverting to Schedule M, it applies to any unemployed person in Canada. Unemployed merchant seamen merely take advantage of a provision which now exists. It is not a special provision for seamen as such.

Q. That means, then, that if a merchant seaman who might wish to take training is found a job as a janitor he is not able to take training?—A. If, in the opinion of the National Employment Service, the employment they have available for him or the employment he has found for himself is suitable employment, he would not be eligible for training under Schedule M.

Q. That is a defect, as far as the seaman is concerned?—A. In other words, it is not a matter of right.

The CHAIRMAN: To what extent do you operate these things through the provinces? Do they not administer these things?

The WITNESS: They not only administer them, but they initiate them and have full control.

By Mr. Goode:

Q. How much do they pay towards them?—A. There are four agreements under the Act. We assist the provinces under each of the four agreements in varying amounts.

Q. Do the provinces pay some of their own money too?—A. Yes. Speaking of Schedule M again, the province decides to establish classes and open facilities for the training of unemployed persons. They appoint the teachers, rent the premises or use their own premises and pay all the bills. They control, through a committee, the people who take the training, but we are represented on that committee. Then they bill the federal authorities for one-half of the cost. It is a matter of reimbursement of the provincial government.

Q. I think you said that there are only four provinces that were to come under this agreement?—A. All provinces except Newfoundland and Prince Edward Island are operating the schedule, but in Ontario the trainees are limited to disabled persons.

Q. Is it not true that it would be impossible to put in a vocational training scheme of this type on a national basis? Is it not just an impossibility as far as your department is concerned?—A. If you mean by that that we would establish a separate training program with different instructors, different facilities and different financing, I would say "Yes", but we never do that. We go to the provinces and ask them to do it. I will illustrate by saying that if we want members of the armed forces trained as motor vehicle mechanics or electricians, we go to the provinces to arrange the classes and they bill us the full cost.

Q. Under the present arrangements, I cannot see the province of British Columbia, from which province I come, having merchant seamen from Prince Edward Island or Newfoundland and putting them under vocational training schemes. So the scheme as suggested by some member of this committee is impossible under the present circumstances, is that not true?—A. I would say "No".

Q. How would you suggest that we take merchant seamen resident in Prince Edward Island and Newfoundland and introduce them into a training program if the governments of those two provinces do not come under this present Act? How would you suggest that my province of British Columbia would take some of those and pay part of the training? I think you will agree with me, as I said in the first place, that under the present circumstances the scheme is not feasible.

Mr. CROLL: I do not agree, but here is Mr. Crawford. Give him a chance to answer.

Mr. GOODE: I don't think you are giving him a chance.

Mr. CROLL: You give him a chance.

The WITNESS: I am not sure what you mean, but under the present scheme if an unemployed merchant seaman were residing in Newfoundland and made his application in Newfoundland, there would be nothing for him. If he moved to another province, to Nova Scotia or New Brunswick, and made application for employment, he would be treated exactly the same as any other resident of that province. There is no residential restriction that I am aware of, nor any test as to where he came from. He is an unemployed Canadian applying for employment.

Mr. GOODE: Are there any stipulations regarding residence in a particular province that comes under this scheme? Can he move from one province to another and immediately come under the vocational training?

The WITNESS: Well, he does not come under vocational training in that sense. As an unemployed Canadian he may go anywhere in Canada seeking employment. If the Unemployment Insurance Commission, through its National Employment Service, cannot find suitable employment for him and they register him for employment, they may refer him for training, and they do not, so far as I know, ask where he came from and how long he had been living in that province or that city.

By Mr. Gillis:

Q. Is it not correct to say that Schedule M, as far as most of the provinces are concerned, is merely on paper, because of the fact that the provinces have to take the initiative, and most of them do not have the money to foot the bill and go ahead?—A. I picked up a few figures showing the extent of the training:

In Newfoundland they were not operating on the schedule M; that is also true of Prince Edward Island. In Nova Scotia there are classes at Halifax and North Sydney. I will give you the nature of the courses and the number of men and women enrolled.

There are courses in commercial work, cooking, diesel operating at Halifax and auto body work. The total enrollment is men 52, women 49. Similar classes are conducted in the other provinces. In New Brunswick the enrollment is men 78, women 84, a total of 162; Quebec, a total of 155; Ontario, 121, all of whom are handicapped; Manitoba, men 100, women 121, a total of 221; Saskatchewan, men 4, women 46, a total of 50; Alberta, men 11, women 250, a total of 261; British Columbia, men 7, women 8, a total of 15; in all 1,086 trainees. I estimate that approximately 300 are suffering from disabilities of some kind.

Q. That could be greatly expanded?—A. It could be expanded immediately.

Q. Money is the limiting factor?

By Mr. Dinsdale:

Q. In regard to the questions being asked by Mr. Goode, did the Department of Labour not offer a vocational training program directly for merchant seamen in the years 1948-49?—A. Neither the Department of Labour nor the Department of Veterans Affairs has ever operated a training programme of its own to the extent that it has organized, staffed and operated a training programme. We have always made use of either private facilities such as colleges, or commercial schools, or worked through the provincial Departments of Education or Labour but the cost of some programmes is paid wholly from federal funds.

During the war and in the earlier period you spoke of, we had a Regional Director in each province and his salary was paid by the federal government. However, he was appointed to work with the provincial authorities in each province. Those authorities hired the teachers, rented the premises, bought the machinery, and operated the classes. All veterans were paid an allowance through the Department of Veterans Affairs, but the training was not given by that department.

By Mr. Pearkes:

Q. Do you find many men of the age group from 30 to 35 taking these various forms of training? We are vitally concerned with seamen who were serving during the war. We are not thinking so much of the younger men who joined the merchant navy more recently. I wonder how many seamen who

had served during the war-years and who would now be in that age group would be likely to take training?—A. There is no way of telling or of anticipating just how many of that group would be taking training because we would have to know more about their employment situation and other circumstances. While we do have trainees in the age-group from 16 to 60 years of age, there are very few over 40. But there are some in a certain situation such as Marysville, which is the town in New Brunswick where the closing down of the cottonmill put the whole labour force out of work, there a number of trainees around the age of 50. So you see, it depends on the situation. I would say, offhand, that there would be relatively few merchant seamen who served during World War II who have not found employment or established themselves in some way and who would be looking for training. But if a situation developed in which they were out of work, I think they would be pretty much the same as any one else.

Q. So your impression is that no large sum of money would be involved to take care of merchant seamen who served during the war?—A. Not for merchant seamen alone; I would say no.

Q. It means that they get their training plus unemployment insurance?—A. No. According to this schedule if their unemployment insurance benefits expire before the training programme is completed, they may in some provinces draw a training allowance.

The CHAIRMAN: Do they receive it now in all the provinces which are cooperating with this Act?

The WITNESS: No. British Columbia has never adopted the policy of paying allowances to trainees.

By Mr. Dinsdale:

Q. In regard to the displacement of seamen in connection with the transfer of Canadian ships to other registries, has the Department of Labour any idea of how many seamen are becoming unemployed as a result of that transfer?

—A. I cannot answer because I do not know. The department does have unemployment figures but as to whether they have labelled these particular people, I would think not. I think that there would be no record of them as such.

By Mr. Green:

Q. I think that Captain Slocombe said this morning that there had been some plans proposed for training these seamen who were going "on the beach" but that plan was turned down.—A. That is correct.

Q. Have you any information on that?—A. Our department was approached some years ago as to whether we could make such an arrangement if it were government policy. We stood ready to take the same action if it were deemed advisable, but then we were informed that the matter had been given consideration and the decision was not to proceed along that line.

By the Chairman:

Q. That would have been the plan under which you would have paid the provinces to conduct the scheme in the same way as you conducted the training under the veterans' charter.—A. The general idea was to give to all seamen the same or similar benefits as those received by veterans of World War II.

Q. Was it thought that there would be a great number who would have qualified as people who served as merchant seamen during the war?—A. That was not considered.

Q. You say it was not considered at all?—A. The mass of displaced persons was what was considered.

By Mr. Dinsdale:

Q. In considering that proposal, would there not be some idea obtained of how many men were expected?—A. The question was: how many served in World War II? We did not know how many had served in World War II and how many had joined the merchant marine since World War II. There was no distinction made. An estimate was made as to the possible number who might be displaced, and the possible number who might take training.

The CHAIRMAN: I think we are getting pretty far afield from our reference and I doubt if we could go into that question.

Mr. DINSDALE: But it was raised in the brief, Mr. Chairman.

The CHAIRMAN: Yes, but there has to be a limit. That question has to do with the policy of the Department of Labour and it has to do with the number of civilians who have been affected by the transfer of ships.

Mr. HERRIDGE: They are not our responsibility.

The CHAIRMAN: And it is not our job to look into that question, I think.

Mr. GREEN: We could have that number given to us. There would be some veterans included in it.

The CHAIRMAN: Well, if Mr. Crawford has it, I suppose he could give it, but I do not think we should go too far into looking at the question of vocational training of civilians who did not serve during the war.

The WITNESS: My memory does not help me and I have no figure in my mind. I would just have to make an estimate.

The CHAIRMAN: Your attitude would be that this matter should be treated the same as under the Vocational Training Act and the same as in respect to problems arising through the closing of factories and so on.

The WITNESS: Yes, that is correct.

The CHAIRMAN: Thank you, very much, Mr. Crawford. It is now 20 minutes to 6. Is it the wish of the committee to proceed with Mr. Goode's motion?

Mr. BENNETT: The Pension Act is going to be called at 8 o'clock tonight and I do not think there is much use in carrying on now. Could we not wait until tomorrow morning at 11.30?

Mr. CROLL: Some of the members have not yet caught up to the committee in its movements this afternoon. They are still in the House and they do not know that we are sitting. I think it would be unfair to move on to any new business at the present time.

The CHAIRMAN: I suppose we will discuss the motion now before us when we meet tomorrow morning. I was wondering just what we will do in regard to winding up our proceedings. But I indicated this afternoon in regard to making any recommendation concerning the merchant navy veterans that I think it is realized we were probably stretching our terms of reference in hearing them, but I think all the committee wanted to give them a chance to put forward their representations so that the committee would be in a position to make recommendations as they might see fit. My thought at the present time is that we could not include anything about it in our report. I indicate that now so that if anyone thinks differently he can be prepared to argue that point when we are actually making our final report.

Mr. CROLL: When you speak of a report of this committee what do you mean? Certain bills were referred to this committee and you have reported the bills, is that not your report?

The CHAIRMAN: Yes. I think, strictly speaking, that is true and once we have reported the bills referred to us we are "functus officio," as they say.

Mr. HERRIDGE: We have always rather exceeded our terms of reference in prior committees and made recommendations on certain matters.

Mr. QUELCH: We have heard briefs from certain individuals and organizations which have referred to certain matters which were not perhaps directly referred to the committee. So far as the merchant seamen are concerned, I think there is justification for our hearing them because they do come in under the veterans' charter as pensioners and they are merely asking that we extend the reference a bit further.

The CHAIRMAN: I suppose if we thought that consideration should be given by the government to giving the merchant seamen some advantages which they do not have under the four Acts which were referred to us—three Acts, really, because the Veterans Benefit Act does not apply,—we probably could recommend that consideration be given by the government to giving them rights under one of those three Acts. I suppose it would be a technicality to say that having reported the bills as we have, that we do not have a right to make further recommendations in the matter.

Mr. BROOKS: That has never been done in any committee yet.

The CHAIRMAN: I do not think anyone would want to raise that point.

There is the Pension Act; they are now under the Civilian War Pensions and Allowances Act and the people that are covered by that Act are given the same pensions as under the Pension Act. Now then, the question would be whether we want to make a recommendation in regard to pensions, in regard to the Veterans' Land Act or in regard to the War Service Grants Act. In regard to the War Service Grants Act these various bonuses that were put through, I take it, would cover that, and they are not asking for anything like that anyway. I gather from what Mr. Heide said that they are really more interested in the Veterans' Land Act.

Mr. GREEN: That is right.

Mr. QUELCH: And in the housing.

The CHAIRMAN: I think when the Veterans' Land Act was in front of us we would not be going beyond our terms of reference if we, for a group to whom we gave certain rights under veterans legislation, recommended we give them some rights under the Veterans' Land Act such as, for example, the right to take part in benefits under Part II of the Act or something of that nature. I think myself that if we could do something to help these people out we should, within our terms of reference, but it is a matter which, I presume, we should take some time to think about, and perhaps we should have some guidance, too, from the department concerning it. The trouble is that at this time of the session, it is not going to be easy to deal with the matter the way we should, but if it is the wish of the committee we could ask the deputy minister and Brigadier Rutherford to give us a statement on it tomorrow morning and, as far as we should go anyway, we could recommend that the government give consideration to these merchant seamen getting some or all of the benefits under the V.L. Act. That is about as far as we could go anyway, and before the Government would proceed to do anything like that they would look into very carefully. Perhaps we should have a statement from the deputy minister on the matter, if he cares to make one. If the members would think about it between now and then we could meet tomorrow at 11.30 again, if that is satisfactory.

Mr. PHILPOTT: Are you going to take that up before you take up Mr. Goode's resolution of which he has given notice?

Mr. MACDOUGALL: I might mention that the B.C. liberal caucus meets after the orders of the day tomorrow at approximately 11.30.

The CHAIRMAN: There is a caucus tomorrow?

Mr. MACDOUGALL: A provincial caucus.

Mr. HERRIDGE: Oh well, that is of no importance!

Mr. MACDOUGALL: But it takes away the two most important members of this committee!

The CHAIRMAN: I gather there is a thought that we have exceeded our terms of reference, and we should not be tying up some of the most important members of the House in dealing with things that perhaps have not been referred to us. That is why I thought if we could meet in the morning we would not be tying up the members when there is some more important business on.

Mr. PHILPOTT: Could the B.C. caucus not be held over until tomorrow evening? It is important that we finish this matter.

Mr. MACDOUGALL: I agree with that.

Mr. PHILPOTT: Could we finish in the one session tomorrow?

Mr. GREEN: We never had to delay business before for the B.C. liberal caucus.

The CHAIRMAN: That shows how important they are becoming! My own thought was we should do what we are going to do about the merchant navy people first, while we actually have the matter fresh in our minds, and then revert to this other question. We can decide what we are going to do about that and it should not take very long. We could get a short statement from the deputy minister or the parliamentary assistant and then we could decide if we will make a recommendation and then we will go on to this question of the motion of Mr. Goode. I hope that we can get through tomorrow. I am sure all the members of the committee would like to get through, if possible, and accomplish all we should tomorrow. We will meet at 11.30 tomorrow.

Hon. MEMBERS: Agreed.

The committee adjourned.

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Canada, Veterans Affairs, Special
Committee on, 1953/54

HOUSE OF COMMONS

First Session—Twenty-second Parliament

1953-54

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SPECIAL COMMITTEE

ON

VETERANS AFFAIRS

Chairman: W. A. TUCKER, Esq.

MINUTES OF PROCEEDINGS

No. 14



WEDNESDAY, JUNE 9, 1954

THURSDAY, JUNE 10, 1954

Including, first, second, third, fourth and fifth
reports to the House.

SPECIAL COMMITTEE ON VETERANS AFFAIRS

CHAIRMAN: W. A. Tucker, Esq. and Messrs.

Balcom,	Gillis,	Jutras,
Bennett (<i>Grey North</i>),	Goode,	MacDougall,
Brooks,	Green,	Nesbitt,
Cardin,	Hanna,	Pearkes,
Cavers,	Harkness,	Philpott,
Croll,	Henderson,	Quelch,
Dinsdale,	Herridge,	Roberge,
Enfield,	Hollingworth,	Thomas,
Forgie,	James,	Weaver,
Gauthier (<i>Portneuf</i>),	Jones,	Weselak.

A. CHASSE,
Clerk of the Committee.

N.B. Above is composition of personnel of the Committee at conclusion. Messrs. Dickey, Johnson (*Kindersley*), MacLean, Murphy (*Westmorland*), and Stick also served as members of the Committee at certain periods.

WEDNESDAY, June 9, 1954.

Ordered, That the name of Mr. Balcom be substituted for that of Mr. Stick on the said Committee.

Attest.

LEON J. RAYMOND,
Clerk of the House.

REPORTS TO THE HOUSE

FRIDAY, May 28, 1954.

The Special Committee on Veterans Affairs begs leave to report the following as its

FIRST REPORT

Your Committee has considered Bill 82, An Act to amend the War Service Grants Act, and has agreed to report same with an amendment.

All of which is respectfully submitted.

WALTER A. TUCKER,
Chairman.

JUNE 3, 1954.

The Special Committee on Veterans Affairs begs leave to present the following as a

SECOND REPORT

Pursuant to the Order of Reference of Thursday, February 11, 1954, your Committee has considered Bill No. 101, *An Act respecting Benefits for Members of the Canadian Forces* and has agreed to report same without amendment.

With respect to Clause 12 of the said Bill, however, as the amendment contemplated therein would, to meet the view of the Committee, result in an increased charge upon the public, your Committee feels that it has no option under the rules of the House, but to report the clause without amendment. The Committee would, however, recommend that the Government consider the advisability of substituting for paragraph (c) of sub-clause 2 of Clause 12, relating to the Unemployment Insurance Act, the following:

(c) every person who was a member of the regular forces on and immediately prior to the 5th day of July, 1950, and thereafter without any interruption in service as such member, was on service in a theatre of operations on the strength of the special force and was discharged from the regular forces within three years from the date he ceased to serve on the strength of the special force; and

All of which is respectfully submitted.

WALTER A. TUCKER,
Chairman.

FRIDAY, June 4, 1954.

The Special Committee on Veterans Affairs begs leave to present the following as a

THIRD REPORT

Your Committee has considered Bill No. 459, *an Act to amend the Veterans' Land Act*, and has agreed to report same with amendments.

A reprint of the said bill, as amended, has been ordered.

All of which is respectfully submitted.

WALTER A. TUCKER,
Chairman.

The Special Committee on Veterans Affairs begs leave to present the following as a

FOURTH REPORT

Your Committee has considered Bill No. 339, *An Act to amend the Pension Act*, and has agreed to report same with amendments.

With respect to Clauses 10, 11, 12 and 18, as certain amendments contemplated therein would, to meet the views of the Committee, result in an increased charge upon the public, your Committee feels that it has no option, under the Rules of the House, but to report these Clauses without amendment. The Committee would, however, recommend that the Government consider the advisability of substituting the words and figures "1st day of May, 1954" for the words and figures "1st day of January, 1954" where they appear in the said Clauses.

With respect to clauses 8 and 13 your Committee has agreed to the deletion of the provisions contained therein. However, other amendments contemplated thereto would, to meet the unanimous views of the Committee, also result in an increased charge upon the public. Therefore, in obedience to the Rules of the House your Committee here also feels it has no option but to delete the said clauses. The Committee would, however, recommend that the Government consider the advisability of amending subsection (3) of section 31 and subsection (3) of section 42 of the Pension Act by striking out the words "in respect of service during World War II" where they appear in the said subsection.

All of which is respectfully submitted.

WALTER A. TUCKER,
Chairman.

MINUTES OF PROCEEDINGS

House of Commons, Room 430,
WEDNESDAY, June 9, 1954.

The Special Committee on Veterans Affairs met at 12.00 o'clock noon. The Chairman, Mr. Walter A. Tucker, presided.

Members present: Messrs. Balcom, Bennett (*Grey North*), Brooks, Cardin, Cavers, Croll, Dinsdale, Enfield, Forgie, Gauthier (*Portneuf*), Gillis, Goode, Green, Hanna, Harkness, Henderson, James, Herridge, Jones, Jutras, MacDougall, Nesbitt, Pearkes, Philpott, Quelch, Roberge, Thomas, Tucker, Weaver, and Weselak.

In attendance: Mr. E. L. M. Burns, Deputy Minister, and Mr. E. J. Rider, Research Adviser, of the Department of Veterans Affairs. Also, Mr D. M. Thompson, Chief Welfare Officer, Canadian Legion, B.E.S.L.

The Chairman informed the Committee that after conferring with all but one of the members of the subcommittee on Agenda and Procedure, he had prepared a Draft Report which he was now submitting for the Committee's consideration.

It was agreed that the Committee should first deal with the proposed resolution of Mr. Goode of June 7, 1954, reading as follows:

That this Committee recommend that the Government give consideration to introducing legislation which will give effect to the representations submitted to the Cabinet in November, 1943 by the Canadian Legion, that the rates of allowance and the maximum total income under the War Veterans' Allowance Act be increased.

After some discussion thereon, the said proposed resolution, moved by Mr. Goode, was ruled out of order.

Whereupon, Mr. Brooks moved:

That this Committee submit a Report to the House requesting that the terms of reference of the Committee be enlarged to enable it to consider the War Veterans' Allowance Act and make recommendations in respect thereof, at this session of Parliament.

And a debate arising on the proposed motion of Mr. Brooks, at 1.15 o'clock p.m., the said debate still continuing, the Committee adjourned to meet again at 3.30 o'clock p.m., Thursday, June 10.

The Senate, Room 368,
THURSDAY, June 10, 1954.

The Committee met at 3.30 o'clock p.m. The Chairman, Mr. Walter A. Tucker, presided.

Members present: Messrs. Balcom, Bennett (*Grey North*), Brooks, Cardin, Cavers, Croll, Dinsdale, Enfield, Forgie, Gauthier (*Portneuf*), Gillis, Green, Hanna, Harkness, Henderson, James, Herridge, Jones, Jutras, MacDougall, Nesbitt, Pearkes, Philpott, Quelch, Roberge, Thomas, Tucker, Weaver, and Weselak.

In attendance: Mr. D. M. Thompson, Chief Welfare Officer, Canadian Legion, B.E.S.L.

The Chairman informed the Committee that the Sub-committee on Agenda and Procedure had met at 3.00 o'clock p.m., when the following members thereof were present: Messrs. Bennett (*Grey North*), Brooks, Croll, Gillis, Green, MacDougall, Quelch, Roberge, and Tucker.

At that meeting, the sub-committee had considered communications from the following: Canadian Combat Veterans' Association in B.C. Inc., Vancouver, B.C.; Canadian Legion B.E.S.L., Regina Branch; James L. Morris, Esq., Port Moody, B.C.; W. E. Richardson, Esq., Clarksburg, Ontario; H. B. Knox, Esq., Regina, Saskatchewan; H. H. Clark, Esq., Vancouver, B.C.; P. C. Gordon, Esq., Woodstock, Ontario; J. McLennan, Esq., Vancouver, B.C.; Herbert Taylor, Esq., Windsor, Ontario; Branch No. 2, Canadian Legion, Reserve Mine, Nova Scotia.

As all of these communications had reference to War Veterans' Allowance Act, the sub-committee recommends that they be filed.

On motion of Mr. MacDougall, the sub-committee's report was adopted.

The Committee then resumed adjourned consideration of the proposed motion of Mr. Brooks reading as follows:

That this committee submit a report to the House requesting that the terms of reference of the committee be enlarged to enable it to consider the War Veterans' Allowance Act and make recommendations in respect thereof, at this session of parliament.

After a lengthy discussion on the question as to whether or not the said proposed motion came within the scope of the Committee's Orders of Reference, the Chairman, after giving elaborate reasons in support of his decision, (*See today's Report of Deliberations*) ruled the said motion out of order.

Whereupon, Mr. Brooks appealed from the Chairman's ruling and the question thereon having been put the said ruling was sustained on the following recorded division: Yeas: Messrs. Balcom, Bennett (*Grey North*), Cardin, Cavers, Croll, Enfield, Gauthier (*Portneuf*), Gillis, Hanna, Henderson, Jones, James, Jutras, MacDougall, Philpott, Roberge, Weaver, Weselak—(18).

Nays: Messrs. Brooks, Dinsdale, Green, Harkness, Herridge, Nesbitt, Pearkes, Quelch, Thomas,—(9).

The proceedings then continued in camera.

The Committee considered the draft report to the House.

The said draft report was finally adopted and unanimously was ordered to be presented as the fifth report to the House.

Mr. Croll and Mr. Green extended their thanks to the Chairman who in turn expressed his appreciation to all the members for their co-operation.

At 5.45 o'clock p.m., the Committee adjourned to the call of the Chair.

A. CHASSÉ,
Clerk of the Committee.

FRIDAY, June 11, 1954.

The Special Committee on Veterans Affairs begs leave to present the following as a

FIFTH REPORT

Your Committee has already reported, with amendments in each case, the four bills referred to it in the Orders of Reference of February 11, February 25, May 11 and May 19, namely:

Bill 101—An Act respecting Benefits for Members of the Canadian Forces;

Bill 82—An Act to amend the War Service Grants Act;

Bill 339—An Act to amend the Pension Act;

Bill 459—An Act to amend the Veterans' Land Act.

Officials of the Department of Veterans Affairs, including Mr. E. L. M. Burns, Deputy Minister; Mr. G. L. Lalonde, Assistant Deputy Minister; Mr. G. H. Parliament, Director General of Welfare Services; Mr. W. Gordon Gunn, Q.C., Director of Legal Services; Mr. E. J. Rider, Research Adviser; Mr. C. B. Topp, Chief Pensions Advocate; Mr. T. J. Rutherford, Director, Veterans' Land Act; Mr. A. D. McCracken, Senior Administrative Officer; Mr. H. C. Griffith, Superintendent, Construction Division; Mr. H. R. Holmes, Superintendent, Securities Division; Mr. W. Strojich, Superintendent, Property Division; Mr. W. G. Wurtele, Treasury Officer, with Veterans' Land Act; also, Mr. J. L. Melville, Chairman, and Mr. Leslie A. Mutch, Vice-Chairman, of The Canadian Pension Commission, were in attendance at the eighteen committee sittings which were held between May 14 and June 9; and your Committee desires to express its grateful appreciation to these officials for the valuable assistance given by them to the Committee in its work.

In the course of its deliberations your Committee received submissions in writing and orally in respect of the aforesaid bills from the following national veterans' organizations, viz:

The Canadian Legion of the British Empire Service League;

The National Council of Veteran Associations in Canada;

Canadian non-pensioned Veterans' Widows;

The Canadian Merchant Navy Veterans Association.

In tabling herewith a copy of the evidence adduced, your Committee desires to draw attention to the fact that the submissions by the Canadian Legion, the National Council of Veteran Associations and the Canadian non-pensioned Veterans' Widows, each contained, in addition to representations in respect of the said bills, representations urging changes in the War Veterans Allowance Act to raise the amounts of allowances payable thereunder, and also to raise the level of permissive income

The Canadian Merchant Navy Veterans Association, in their submission, laid most stress on a wish that those who served during World War II in dangerous waters receive the benefits of the Veterans' Land Act.

Your Committee recommends that the Government give sympathetic consideration to the said submissions.

All of which is respectfully submitted.

WALTER A. TUCKER,
Chairman.

REPORT OF DELIBERATIONS

JUNE 9, 1954,
11.30 A.M.

The CHAIRMAN: Order, gentlemen. I have consulted the members of the steering committee—

Mr. BENNETT: Mr. Chairman, Mr. Green is not here yet and I promised him that we would not start without him.

The CHAIRMAN: Oh!

Mr. BENNETT: I think we should wait for the rest of the members of the loyal opposition. Maybe I did not have the authority to make that promise, but I did so on account of the pension bill coming up in the House. I see that we have General Pearkes here.

The CHAIRMAN: Gentlemen, we shall now proceed, in view of the fact that all the brethren are here.

I was going to say that in the press of business I was not able to have a meeting of the steering committee but I did manage to see all of them with one exception, one of the Liberal members, Mr. Roberge. I did not manage to see him and I hope that he will forgive me. I understood that he was away yesterday.

It was the thought of the members of the steering committee that I should endeavour to draft a suggested report. Accordingly I did so. I would not have done so if I had not been encouraged to do so. I have it here and I will distribute it but it is understood that it is only a suggestion to the committee as a result of the suggestion of the steering committee.

I wanted you to have this draft report in front of you before I dealt with Mr. Goode's motion. The clerk will now distribute the suggested draft report to you so you may have a look at it and we can run over it and then I will take up Mr. Goode's motion.

The clerk draws my attention to the fact that when we discuss the report it is generally done in camera. Therefore this part of the proceedings can be regarded as in camera and I shall indicate when we go back into open session again.

(Proceedings off the record).

The CHAIRMAN: I wanted the members to be aware of what I had in mind and we will go back on the record now. Gentlemen, I have a motion before me moved by Mr. Goode and seconded by Mr. MacDougall which is as follows:

that this committee recommend that the government give consideration to introducing legislation which will give effect to the representations submitted to the cabinet in November 1953, by the Canadian Legion, that the rates of allowance and the maximum total income under the War Veterans' Allowance Act be increased.

Our terms of reference, gentlemen, were given to us on February 11 when Bill 101 was referred to us; on February 15 when the War Service Grants Act was referred to us; on May 11 when the Pensions Act was referred to us and on May 19 when the Veterans Land Act was referred to us. There was no further reference to us except those four bills. The members will recall at the time the committee was set up there were two different motions moved that the terms of reference should be widened and one in particular that the committee be given power to deal with the War

Veterans Allowance Act. The committee will remember that at that time it was the consensus of opinion of all persons speaking on behalf of all parties in the House that if the terms of reference were not widened we could not deal with anything except these bills that were referred to us and it was particularly pointed out that we would not be able to deal with the War Veterans Allowance Act.

I think that the members, who included the leading members of the opposition parties of this committee were correct in taking the attitude that unless our terms of reference were widened we would not have any right to deal with anything except the bills in question and it seems to me we are bound by our terms of reference.

I would refer briefly to Beauchesne—I have my notes upstairs and I did not take time to mark it in this book.

Mr. GILLIS: Why bother with Beauchesne; why not use common sense?

The CHAIRMAN: The citation is 634 on page 188 of the second edition of Beauchesne:

A committee is bound by, and is not at liberty to depart from, the order of reference. (B.469). In the case of a Select Committee upon a bill, the bill committed to it is itself the order of reference to the committee, who must report it with or without amendment to the House.

And it goes on to indicate here how definitely that rule should be applied in select committees. I will not go into that matter any further because I think every member of the committee speaking in the House indicated that that was his understanding of the terms of reference we received. Now, that being the case, and as we have not the right to consider anything but the bills referred to us and as I pointed out before we have already considered those bills and reported them, it seems to me that we now have no power to do anything further except report the evidence to the House. Obviously, if I am right on that, gentlemen, the motion of Mr. Goode's, although I dislike very much—

Mr. PHILPOTT: Mr. Chairman, before you put your ruling on the record, I would like to say I think that while this committee knows I am entirely in agreement with Mr. Goode's motion, as I think practically everyone in this room is, it seems to me that as a result of certain discussions that have gone on here—I at least have held from the beginning, both in the house and in this committee—that there are other ways than this particular way of having this committee express its strong moral support of increased pension allowances and a higher permissive ceiling, as suggested by the Canadian Legion and other veterans organizations; and, therefore, Mr. Chairman, I would like to say before you make your ruling that even if you do put your ruling, which I intend to support, if we work for it there is other action by which this committee can accomplish just as effectively by another method what Mr. Goode and Mr. MacDougall hope to accomplish by their resolution.

Mr. BROOKS: Let us hear what is going to happen to the resolution.

Mr. GILLIS: I do not think that there is any necessity for Mr. Goode's resolution. I think he realizes that. I think this report if adopted, in the second last paragraph, covers the intention Mr. Goode and Mr. MacDougall had in their resolution. If I had put that resolution before the committee I would be prepared to withdraw it in the light of the proposed report.

Mr. QUELCH: I think that the proposed report does accomplish the same thing as Mr. Goode's motion and is more in line with the terms of reference.

Mr. GOODE: Mr. Chairman, before you make your ruling I think that I should say something. The intent of this motion was to support people who Mr. MacDougall and I represent in British Columbia. There is a feeling on the part of the veterans in Burnaby-Richmond that something should be done with respect to war veterans allowance and they suggest that the basic rate should

be increased; they also suggest that something should be done on permissive income. It was with that intent that I moved this motion. I have spoken in the House on the matter several times, not at great length but supporting this since 1949. I intend to support this matter as long as I am in the House and until something is done about it. I do see the point which Mr. Gillis makes. He and I usually agreed. In this case we agree again. I do not intend to withdraw the motion. I think a ruling should be made on it, and the reason I cannot withdraw is that I do not know officially at the moment what is going to be in the committee's report. I hope that the report will bring down a recommendation that coincides with the wishes of every member of this committee; that a recommendation should be made to the government with respect to war veterans allowance and an increase thereof. When I see that report officially if it brings war veterans allowance down with a recommendation from this committee, then I think that the position of my motion will be fully realized; that was the intent I had when I moved it.

The CHAIRMAN: Well, as I say, I approach this ruling with great reluctance because I feel I must rule out of order a motion by a member of this committee for the reasons which I have already given. So, I have to rule the motion of Mr. Goode out of order and I do so.

Mr. BROOKS: Mr. Chairman, I am not surprised but I am disappointed that you have had to rule Mr. Goode's motion out of order. You mentioned that this war veterans allowance matter could not be considered under our terms of reference. Well, in most of the veterans affairs committees that I have served on, I have been on all I think since 1936 while we have not been able to effectively amend Acts like the War Veterans Allowance Act—it is impossible to do so when they do not come before us—still we have always had the right to ask that the terms of reference be enlarged and that these matters be dealt with. In that connection I would like to call your attention to minutes and proceedings of the 1951 committee, No. 4 on page 91. Mr. Cruikshank asked the chairman who was then Mr. Mutch:

Of course, the terms of reference allow us to discuss the first part of the brief.

He was referring to the legion's brief at that time and Mr. Mutch, the chairman, said:

No one in the committee will be surprised when I say I anticipated that point being raised by someone, and I think the situation is reasonably clear. There is one main specific recommendation in the brief, that is the suggestion from the legion representatives that we should ask the House for an instruction with respect to our terms of reference. That is always within the power of the committee to do, to refer back to the House and ask for instruction. I do not think we can amend. I think the language to be used is that we ask for an instruction to consider certain specific matters. I do not want to get involved in legal arguments with the lawyer members of the committee, but the fact remains that we can ask for instruction that we be empowered to discuss war veterans' allowance.

Now, I think that that has always been the intention in the committee and has always been the procedure followed in this committee.

Since you have ruled Mr. Goode's motion out of order I would like to move the following motion:

That this committee submit a report to the House requesting that the terms of reference of the committee be enlarged to enable it to consider the War Veterans' Allowance Act and make recommendations in respect thereof, at this session of parliament.

Now in this connection, Mr. Chairman, it is not necessary for me to make extended remarks we know that all veterans organizations which have appeared before this committee have asked that the war veterans allowance be considered. There are two main points which they have emphasized: one was the increase in the basic allowance; the second was the raising of the ceiling on permissive income. This matter has been in abeyance since 1952. In 1952 we felt that the basic rate then was too low and we felt that the ceiling should be increased. Here it is 1954 and we have had another veterans affairs committee and this matter has not been dealt with. It has caused great disappointment to the members here; it has caused great disappointment to the veterans all across Canada; and it has caused great disappointment to everyone who is in sympathy with the veterans. Now, if this matter is not dealt with at this session of parliament we do not know that there will be a meeting of the veterans affairs committee next year or the year after. The legion in their brief emphasized very strongly that it was not in the future that they wanted this matter dealt with, but that it was at the present time. In their brief on page 6 they say:

It is the earnest hope of the Canadian Legion that the present committee will realize the need and assume the responsibility of recommending immediate action in this matter.

They were speaking of the war veterans allowance.

Now, Mr. Chairman, and gentlemen, I feel that this committee is not doing justice to these war veterans' allowance recipients unless this matter is dealt with here in this committee as set up at this time. We can recommend to the House that our terms of reference be broadened to include the war veterans' allowance, and even though it is near the end of the session there is no reason why a bill cannot be brought down at this session amending the War Veterans Act in these two particulars. We can deal with it, and can deal with it in a few hours if it comes before us. As I said before, time is the great factor. The war veterans allowance recipients are old men. I listened here the other day to Brigadier Melville when he was giving his evidence and I was amazed at the number of widows who are applying for pension, indicating that the men of the first war—and you have only to read the Legionnaire each month to see name after name of men who are passing away at the age of 62 or 63, and one year, two years, or three years are going to make a great difference as far as these men are concerned. I say, Mr. Chairman, we cannot pass this matter up by simply making a pious reference to it in our report. It is our duty here as members of this committee to ask the House of Commons to enlarge our terms of reference and ask them to present to us a bill which will relieve the situation.

When it was asked that the Veterans Affairs committee be set up, what was in the minds of every member? What is in the minds of the Canadian Legion? What is in the minds of all those who are concerned with veterans across Canada? They felt that the big problem which we as a committee would have to deal with would be the war veterans allowance. It was on the lips of everyone, "Now we will have an opportunity to deal with the war veterans allowance and deal with it effectively, as it should be". I say, Mr. Chairman, that I am very certain that this motion of mine is in order, and I hope that this committee will see its way clear to pass it. As I said before, we have time yet to correct what I consider a very great injustice to the war veterans allowance recipients in this country.

Mr. HERRIDGE: Mr. Chairman, I rise to extend wholehearted support to Mr. Brooks's motion.

The CHAIRMAN: Just before we debate the motion, Mr. Herridge, have you the terms of reference of the 1951 committee that you referred to there, Mr. Brooks?

Mr. BROOKS: I do not believe I have. They are very much the same as our terms of reference.

The CHAIRMAN: I would like to have them, because I looked up the previous terms of reference and they were quite different from the terms of reference that were given to the committee this time. For example, the terms of reference of the 1946 committee were as follows:

To consider all legislation passed since the commencement of the war with the German Reich relating to the pensions, treatment and re-establishment...

Mr. BROOKS: Time and time again we called attention to the fact that the terms of reference after 1945 and 1946 were entirely different from those in later years. That is what we complained of. The 1946 terms of reference were broader, but this was 1951 when Mr. Mutch gave that ruling.

The CHAIRMAN: I was wondering what the terms of reference were, because it does not help me any if I do not know what the terms of reference were.

Mr. BROOKS: They can very easily be sent for.

The CHAIRMAN: Under that reference all legislation passed since the commencement of the war with the German Reich was referred to us. We were empowered to bring in one or more bills to supplement the above mentioned legislation. That was in 1945 and 1946. Then in 1952 the terms of reference were restricted as ours are now. They were as follows:

to consider a bill respecting allowances for war veterans and their dependents, and to consider such other matters relating to Veterans' Affairs that may be referred to the committee;...

They were very much like the terms of reference that we received. Now, I do not know what the terms of reference were in 1951, whether they were the same as the ones given in 1952 or not. I did not know that there was a committee sitting in 1951.

Mr. BROOKS: This was on Thursday, May 17, 1951.

Mr. JUTRAS: Is the question here not this? I think Mr. Brooks referred to what the previous chairman said at that time. That applied to a different matter. I do not think there is any question that committees do have power to ask the House to have their reference extended, but the point now is that we have had four bills referred to us, and in effect Mr. Brook's motion is asking the House to refer another bill to us. In other words, it would be asking the House to refer a new matter to the committee, which has always been considered certainly contrary to the rules and the procedure followed by our British system of parliament. I believe that the speech made by Mr. Brooks, for which I have a great deal of sympathy, is a speech that should have been made in the House.

Mr. BROOKS: I made it in the House.

Mr. JUTRAS: I am not questioning that you did, but no matter how much the committee itself may desire it, the House has to come to that opinion, the House has to be sold the idea, and a new subject matter has to be referred to the committee. I do not know how we could possibly pass resolutions to ask the House to send us a new subject, because it is the prerogative of the House to send whatever they feel to the committee, and that is the rule.

Mr. HERRIDGE: Mr. Chairman, I entirely disagree with Mr. Jutras and I support Mr. Brooks' motion. I think that every member of this committee is sympathetic to this proposal. The House has dealt with the question—

Mr. CROLL: I was waiting for somebody to say that. The House has dealt with the question. A question previously dealt with—

MR. HERRIDGE: I will elucidate that. The House has dealt with the question on one occasion, but this committee has been considering and hearing representations from the Canadian Legion. We are not dealing with the question of war veterans allowance, but the motion of Mr. Brooks, as I understand it, is moved because we have heard the representations from the Legion and as a result of those representations and our knowledge we see the real need in this problem. Possibly some members see it to a greater extent than they did previously. I think that this committee has a right to make recommendations to the government to extend its terms of reference as a result of the further knowledge is has gained at these hearings. I think that is part of Mr. Brooks' argument, and I am sure that there is no one here who disagrees that the proposals outlined by Mr. Brooks may call for some immediate action. It is getting late in the session; some might say that there is hardly time to get action; but I am sure that every member of this committee, if the government could be induced to widen the terms of reference, would be willing to sit here to deal with the legislation and give satisfaction to these recipients of war veterans allowances who need it so badly. I do not see on what ground the motion can be ruled out of order. This committee, as the result of its further examination of the question and hearing of representations from the Canadian Legion, simply comes to a conclusion and asks by this motion for reconsideration by the House of our term reference.

MR. QUELCH: Mr. Chairman, I agree with the last speaker and Mr. Brooks that this motion is entirely in order. It has been done several times in the past 18 years. It may not have carried, but so far as I can remember a motion to appeal to the House for a widening of the terms of reference has never been ruled out of order. Some may argue that the terms of reference have been different. They were in earlier years, but the terms of reference for the past few years have been tightened. The Minister of Veterans Affairs himself has drawn that to our attention, that whilst in 1945 and 1946 the terms were wide open, the practice in recent years has been to narrow them down. I think that in 1951 the same type of question arose as in this year; in 1951 we asked that the terms of reference be widened. I think that the motion was voted down, but it was not declared out of order. Therefore, I think that we are fully in order to make a motion for that action now, although I am not optimistic about what the results of that motion will be. Even though it carries in this committee, I doubt whether the House would agree to widen the terms of reference, but I think it is important that we should at this time pinpoint the need for action regarding the War Veterans Allowance Act.

The reason I say that is this: there is a tendency today to make this committee the scapegoat for government policy. We had a very good example of that yesterday when we had a representative here from the Department of Transport who told us that the reason the Department of Transport had not been able to make greater benefits available under vocational training for veterans was as a result of action by this committee. Let me say that it was not as a result of action by this committee at all. It was as a result of government policy. Therefore, we cannot afford to be put in the position of having people say that we were opposed to increasing the war veterans allowance. That is not our wish at all. It is government policy.

The draft report will, no doubt, we hope, draw this fact to the attention of the government, but I think this is the type of action that should be taken: first of all, we should attempt to get the government to take action to increase war veterans allowances or to bring a bill down to increase them; and if they are not prepared to do it, we should at least draw to the attention of the government the brief made by the Legion.

Mr. GREEN: Mr. Jutras suggested that this committee should not deal with this resolution because the House might not follow our recommendation if it were submitted to them. But let me point out that every committee of the House is master of its own fate. We have control of our own proceedings here. What the House may choose to do with our recommendations is the responsibility of the House and not of this committee. We cannot escape our responsibility as members of this veterans affairs committee by saying that we think the House will not accept our report if we propose such and such a thing. Even if the chairman of this committee rules this motion out of order, the members of this committee can overrule him. There is an appeal from the ruling of the chair to the members of the committee. I think the members of this committee will have to show by their votes just where they stand on this question.

Mr. Philpott and others have suggested that we all want to have something done about the war veterans allowance. I am not questioning that desire on the part of the members at all, but let me point out that the time to get action on war veterans allowance is now and not a year hence.

These men are not up against a dead line; they are up against something which is much worse; they are up against a death line. Many of those men who could benefit if there were improvements made in the Act at the present session will be dead in a year's time.

Simply to bring in a recommendation that the government consider war veterans allowance means that nothing can be done at this session and probably not for a year or even longer.

Here you have, in Mr. Brooks' motion, a clear-cut request that this committee go back to the House and ask for a widening of its reference so that it can deal with the War Veterans Allowance Act and make recommendations at this session.

Let me read his motion once again: "That this committee submit a report to the House requesting that the terms of reference of the committee be enlarged to enable it to consider the War Veterans Allowance Act and make recommendations in respect thereof at this session of parliament."

If the government does not choose to accept our report, then the responsibility will rest exactly where it should rest, and that is upon the government. They have to make the choice.

Mr. JUTRAS: It is parliament, Mr. Chairman, not the government.

Mr. GREEN: Well then, put it upon parliament, but the government controls parliament in the final analysis. So far as veterans are concerned the responsibility will rest on the government and that is where it ought to be. We should have had the power at the start to deal with this question. We tried in the House to get that power but we were turned down.

Here is the place; this is the time when this committee should say where it stands on this question. And if the members of the committee feel that the terms of reference should be broadened so that the committee can deal with this question at the present time, then they must vote for this motion.

However, if they vote against this motion, then they must take the responsibility for making it impossible for the veterans of this country to get any improvement in the war veterans allowance at this present session.

The members of this committee cannot get away from that responsibility. And I said the other day that in practically every veterans affairs committee that has been set up within the last twenty years the members have stood on the basis of what was best for the veterans. Many times that has meant getting into conflict with announced government policy.

I have seen a stand taken against one government policy. Three times the Minister of Veterans Affairs has come into this committee and has offered

amendments. The members have rejected them because they did not go far enough. Most of the members of the committee took that position until the third and final improvement was granted.

That resulted largely because of the stand taken by government supporters. Members of the opposition were not the only ones in favour of those improvements; some of the government supporters stood up and fought for them as well and refused to accept a partial solution. That is the way in which a Committee on Veterans Affairs should function and I hope we do not deviate.

Mr. Mutch, the former chairman of the committee, had long experience as chairman of Veterans Affairs committees and as parliamentary assistant. We have his ruling on this very point and a statement that the motion was in order; yet our chairman has suggested that it is out of order.

Then I would also point out to the members of this committee that they have power to overrule the chairman. The majority of this committee can say that the chairman is wrong on his ruling that this motion or on any other motion is out of order. If members of the committee fail to do that, or think that they should vote in that way, then they must take he responsibility for making it impossible for the veterans of Canada to get these benefits for a period of another year.

Mr. PEARKES: Mr. Chairman, I am not the least bit interested in where the responsibility for turning down this resolution is going to rest. I do not want to put any onus on the government, but I think the members of this committee should let the government know what we really think about this matter. I believe that in our hearts we believe that now is the time to do something for the older veterans of Canada, for those who are recipients of the war veterans' allowance, and that we should do it now. As has already been said, those men are going to grow older and many of them will be passing out.

In British Columbia we have a higher percentage than anywhere else in Canada of those older men, and there is not a week which goes by when I do not get letters from them. It seems to me that we, as a committee, should appeal to the government now to give consideration to this matter and let the government know that we, as members of the committee, would like to have an opportunity—in view of the representations which have been made by the Legion as well as of our own knowledge—to have an opportunity of investigating this matter further while we are in session and to be able to make a recommendation to the government.

I had hoped that we could make a recommendation to the House which would be acceptable to the government. We are citizens of Canada as well as members of various parties of this parliament, but it is not a question of our being here as anything else but members of the committee. I do not like the idea particularly that we are divided into supporters of the government and supporters of opposition parties. We are here as committee members, and I believe this committee really does feel that we should ask the government to let us consider this problem which has been so vividly brought to our attention in the report of the Legion. I would ask you if you possibly could accept this motion so that we can refer it to the government and then let the government know what our considered opinion is on this very important subject.

Mr. GOODE: Mr. Chairman, as far as the intent of this committee is concerned I do not think there is any doubt, but I am very surprised that Mr. Brooks would mention this matter to Mr. Green and that Mr. Pearkes would support it because I remember in the House some few days ago, and on numerous occasions before that, that the leader of that party insisted that the Prime Minister give his undertaking that no further legislation would be brought on at the present session. He insisted over the days, as you will

remember, that no further legislation be brought down and the Prime Minister gave his undertaking at that time that no further legislation was in the government's mind. The intent of this motion, as Mr. Brooks has said, is to bring in an amendment to the War Veterans Allowance Act and he says: "At this present session." I would be inclined to support it and I think I would support it if he took out the words "at this present session" because of the undertaking of the Prime Minister, only a few days ago, in regard to a question repeated by the leader of the opposition. It is most strange to me to see that members of the official opposition—and I am not talking politically now—would bring in a matter of this kind to go on the Veterans Affairs Committee Hansard when they very well know of the undertaking given by the Prime Minister direct to the leader of their party in regard to further legislation. If Mr. Brooks will take out the words "at this present session" I would be inclined to support his amendment.

Mr. BROOKS: I think Mr. Goode misunderstood the leader of the opposition. He has been pressing the Prime Minister to find out what legislation would be brought down and I am sure that neither the leader of the opposition nor any other member of the opposition parties would object for one minute to legislation being introduced for the war veterans allowance. Now, as far as striking out the words "at this session of parliament" is concerned, as I pointed out a minute ago, Mr. Chairman, we have no assurance it will be brought on at the next session of parliament or the session of parliament after that and I agree entirely with the Legion when they say: "It is the earnest hope of the Legion that the present committee will realize the need and assume the responsibility of recommending immediate action in this matter." It is immediate action that is required. These men, as has already been pointed out by Mr. Pearkes and Mr. Green, are getting older and dying off very fast. One, two or three years makes a great difference, and I think it should be done at this session of parliament.

Mr. CROLL: Will the committee adjourn now? It is one o'clock.

The CHAIRMAN: I was waiting until everyone had said everything they want to say on this point.

Mr. CROLL: You will never finish up now.

The CHAIRMAN: I will say this: I am rather surprised that this motion should be moved without any notice whatever to the committee or to me.

Mr. BROOKS: Now, Mr. Chairman, we did not know you were going to rule the other motion out of order. As a matter of fact, I had an amendment prepared for Mr. Goode's motion but last night you did intimate that you might rule it out of order so, like William Tell, I thought I should have another arrow ready.

The CHAIRMAN: Had you given me any information whatever that you were considering moving such a motion I would have tried to have been prepared to deal with it, but having had it sprung on me like this I am not prepared to deal with it. I would also point out that we are governed by the rules of the House. Beauchesne, Second Edition, 607, says:

Committees are governed in their proceedings by the same rules which prevail in the House and which continue in full operation in every select committee. It is upon this principle, that the practice appears to be founded, of consulting the Speaker, in reference to points of order and the forms of proceedings, by select committees.

Now, as I read the standing order in respect to notices of motion which governs us as well as the House, standing order 45, it says:

Forty eight hours' notice shall be given of a motion for lease to present a bill, resolution or address for the appointment of any committee, or for placing a question on the order paper. . .

and the citation of Beauchesne under that is:

As a general rule every motion proposed in the House requires notice unless it is of a formal or uncontentious character, or raises a question of privilege.

This is absolutely the first notice I have received in any shape or description that it was the thought of anybody to move a motion like this, which, as has been pointed out by Mr. Croll is asking the House in effect to reconsider a motion it had already passed, and they passed a motion that our terms of reference should be certain items and there were very very determined attempts made to change those terms of reference and they were not changed. The House very definitely decided on the terms of reference. Now, we are asking them to change that decision. I would think that the purpose of a notice of motion is to give everybody a chance to be prepared, and surely had I had a notice I would have taken the advice of the Speaker in the matter and been prepared to make a ruling on it. But when a motion like this is sprung on me without the slightest intimation of what is going to be brought up it makes it difficult. As I have said already I have had no notice of this motion; it has not yet even been submitted to the chair. So we have nothing in front of us at all; neither a notice of a motion or a motion. I say again, had there been an intimation to me, even last night, that it was the intention to make such a motion I would not have been inclined to say that I should have had formal notice of it, but when we have it like this, when the rules require forty eight hours' notice, I do not think that I have been given any consideration in preparing myself to rule on it, and I think that the committee would expect me to say at the present time we have not any notice of this motion, and therefore, it is not receivable.

Mr. BROOKS: On that point I do not wish to monopolize the argument, but I might say—

The CHAIRMAN: If you would let me continue—

Mr. BROOKS: This is a little personal. You are accusing me of not showing courtesy to the chair. I have been on this committee a great many years and this is the first time that I have ever heard a chairman say that a notice of motion must be submitted within forty-eight hours. I have followed the policy adopted in this committee over the years. It is one o'clock now and if the chairman wishes to consider it he has lots of time.

The CHAIRMAN: If you will permit me to finish what I was going to say—if I had had any idea that this was going to be brought forward I would have tried to prepare myself because I realize that the time is short and so on; but, I do say that we have these rules and we have a motion without any notice it was going to be moved and I wished to have time to consider it and take the advice of the Speaker on it. I certainly do not wish to rule anything out of order that is in order.

I was rather surprised that Mr. Green suggested, before I had ruled, that the committee could overrule me. I do not think that I have acted in such a way that it could be expected that the committee would be called upon or need to smack me down.

Some Hon. MEMBERS: Hear, hear!

The CHAIRMAN: I surely have tried to consult the steering committee and everybody concerned. I suggest that I find out, if I can, what the rules governing this matter are. I will find out what the terms of reference were in 1951 and look into the matter. So we will have to have another meeting of the committee.

• Mr. CROLL: Leave it to the call of the chair, to give you ample time.

The CHAIRMAN: I wonder if we could have a meeting of the steering committee at two o'clock? When can we meet in this committee to consider this motion and consider our report?

Mr. MACDOUGALL: Are you going to permit a statement now, before we adjourn, or not? Mr. Brooks has brought in an amendment. I am co-mover of a motion which has been ruled out of order by you. Now, I have the greatest faith in your ability as a chairman, and I think the members of the committee have, but I want to say here and now that, as far as I am concerned, when you have ruled our joint motion out of order then I cannot take anything but a dim view if you are going to permit the amendment as moved by Mr. Brooks. Therefore, it seems to me that we are playing ducks and drakes with this thing now. We have practically come to the end of the road on the situation. We heard the remarks made by my colleague, Mr. Goode, with respect to new legislation, and I cannot conscientiously sit here and have our motion ruled out of order and at the same time support an amendment that has been moved by Mr. Brooks, regardless of how valid it may be.

The CHAIRMAN: I have just said that I want to take time to consider whether it is in order or not. I do not know whether it is. The committee will adjourn till tomorrow at 3.30 p.m.

The committee adjourned.

THURSDAY, June 10th, 1954.
3.30 P.M.

The CHAIRMAN: Order gentlemen, we have a quorum.

I was looking over the record a few minutes ago and found there were at least two of the members who referred to this draft report which I prepared and I should have, I suppose, actually put it on the record before we went into camera, because there is nothing confidential about it anyway. To make the comments of two or three of the members intelligible I think that I should put it on the record as I intended to. It was circulated and I think I might as well put it on the record now.

Mr. GREEN: That tentative report was considered when the committee was sitting in camera and I do not think it should be put on the record yet.

The CHAIRMAN: I had actually referred to it.

Mr. CROLL: Mr. Chairman, we discussed it and it should be on the record.

The CHAIRMAN: I referred to it before we went into in camera session and it was then distributed; I think it is desirable that it should have gone in the record.

Mr. PHILPOTT: I certainly think it should go on the record; unless it is on the record a lot of the discussion that we had yesterday does not make sense.

The CHAIRMAN: That is what I had in mind. I realized when I read the record that some of the things said referred to the report. I will just give you an idea of just what did happen before we went in camera. I said: "It was the thought of the members of the steering committee that I should endeavour to draft a suggested report. Accordingly I did so. I have it here and I will distribute it but it is understood that it is only a suggestion to the committee as a result of the suggestion of the steering committee. Now then, I wanted to have this draft report in front of you before I dealt with Mr. Goode's motion. The clerk will now distribute the drafted suggested report to you so you may have a look at it and we can run over it and then I will take up Mr. Goode's motion." It was then distributed and I went on to say: "The clerk draws my

attention to the fact that when we discuss a report it is generally done in camera. Therefore this part of the proceedings can be regarded as in camera and I shall indicate when we go back into open session again."

So, up until the time when the report was distributed we were in open session and I suppose that is why the members referred to the report. But, when the report is not in the record then their remarks have not as much meaning.

I realize I should have asked your consent to put the draft report in the record at that time but I overlooked doing so, and so I do not ask that it go in the printed record at that time because I overlooked to ask for consent that it go in at that time; I do not ask for that, although it probably should go in the printed record as of that time.

Mr. PHILPOTT: Why do you not ask for unanimous consent to put it in the record at the point when you went back on the record?

Mr. GREEN: I think it has never been the practice to put draft reports in the committee proceedings. There may be a dozen draft reports. The discussion on this draft report was confidential yesterday and was properly kept off the record. I do not see why the report should be put on at this stage. Later on it may be necessary to do so, but it was never the practice to put these draft reports on the record. If it should have gone on the record yesterday then we should also have had the discussion on it yesterday on the record.

Mr. HENDERSON: I understood that Mr. Goode wanted to know what was going on the record so that he would know whether or not to drop his motion.

Mr. CROLL: That report should be on the record. I move that it be placed on the record as of the time the reference was made to it in the last days' proceedings.

Mr. MACDOUGALL: I second the motion.

The CHAIRMAN: Some members have come in since this matter was brought up. I was reading the record of the proceedings of yesterday and I said that I had prepared this draft report at the suggestion of some of the members of the steering committee and I said that I wanted this draft report in front of you before I dealt with Mr. Goode's motion. It was then distributed, and I said: "So you may have a look at it and we can run over it and then I will take up Mr. Goode's motion." At that stage the draft report was circulated; actually it was in the possession of the committee while in open session. We went into "in camera" after that and then several members, quite properly, referred to the draft report in their speeches when we went back into open session. It should have been tabled right then and there. I have a motion, gentlemen, that the draft report be tabled and included in the proceedings as of the time when I said it was distributed. It might be included of course as an appendix.

Mr. PEARKES: May I ask you as to the meaning of the second last line of your report? There is reference made at the top of page 2: "In the course of its deliberations your committee received submissions in writing and orally in respect of the aforesaid bills", and they dealt with the submissions from the Canadian Legion and so on, and then it reports the Canadian Legion and the National Council of Veterans Associations, in addition to representations in respect to certain bills, as making representations urging changes in the War Veterans Allowance Act with respect to the amount of allowances payable thereunder and also the raising of the level of permissive income. Then it goes on to refer to a submission which was made by the Canadian Merchant Navy Veterans Association. The last paragraph recommends that the government give sympathetic consideration to the said submissions. You will notice

that that is in the plural, therefore I presume that this committee is giving its approval to the submissions made by the Canadian Legion in respect to the war veterans allowance. Is that correct?

The CHAIRMAN: That was the intention. Of course this was just something I drafted up for the convenience of the committee.

Mr. PEARKES: I wanted it to be quite clear.

The CHAIRMAN: That was definitely my thought, that the committee wanted sympathetic consideration to be given to the representations of the legion, the merchant seamen, the National Council, and the widows; that was very definitely my thought.

Mr. PEARKES: The plural was not merely referring to the preceding paragraphs which referred to the seamen.

Mr. PHILPOTT: In the discussion it was made very clear that we meant this particularly to refer to war veterans allowances and to the ceiling on permissive income.

Mr. PEARKES: It was not made clear.

The CHAIRMAN: Anyway that was my intention and if it is thought that it is not absolutely clear of course when we come to consider it we can change it.

Mr. HERRIDGE: Is this motion to place the report in the proceedings as an appendix?

The CHAIRMAN: It is just to put it on the record because it was distributed to the committee in open session and I should have obtained your consent at that time. Is that agreed?

Agreed.

(See appendix A)

The CHAIRMAN: I now come to the motion that was made by Mr. Brooks which reads as follows:

That this committee submit a report to the House requesting that the terms of reference of the committee be enlarged to enable it to consider the War Veterans Allowance Act and make recommendations in respect thereof, at this session of parliament.

As the committee knows, I have already ruled as not admissible at this stage of our proceedings a motion by Mr. Goode which is along somewhat similar lines but is worded somewhat differently. Mr. Goode's motion was:

I move, seconded by Mr. J. L. MacDougall, that this committee recommend that the government give consideration to introducing legislation which will give effect to the representations submitted to the cabinet in November, 1953 by the Canadian Legion, that the rates of allowance and the maximum total income under the War Veterans Allowance Act be increased.

If Mr. Goode's motion was out of order, then, I feel this resolution is even more out of order. As pointed out in the House when this matter was discussed, there was one way in which we could possibly have had the war veterans allowance matter in front of us and that was if the government decided to introduce a bill dealing with war veterans allowances, and then that matter could have come before us on a reference from the House and conceivably it could still in this way come before us. So, all that would be necessary for it to come properly before us would be for the government to introduce legislation and have it come before our committee and we could then consider that legislation. Mr. Goode's amendment was that the government give consideration to taking steps which would have legally brought the matter before us. Now, Mr.

Brooks' motion goes much further than that. It recommends that the government give consideration to introducing legislation which will give effect to the representations submitted to the cabinet, and—

Mr. QUELCH: I think you have the wrong resolution.

The CHAIRMAN: I will read it: "That this committee submit a report to the House requesting that the terms of reference of the committee be enlarged so that we could consider the Act and make recommendations in regard to it. In other words, that we be given the right to consider the Act of parliament itself and make recommendations about it at this session of parliament, not by any way of legislation being introduced in the matter or that we be given a right to consider it, but that we be given the right to consider the Act of Parliament itself and recommend that something be done about it."

Mr. Brooks' motion was not that the legislation be introduced in the House or anything of the sort; it was that our terms of reference be enlarged so that we could consider the Act and make recommendations in regard to it. In other words, that we be given the right to consider the Act of parliament itself and make recommendations about it at this session of parliament, not by any way of legislation being introduced in the matter or that we be given a right to consider it, but that we be given the right to consider the Act of Parliament itself and recommend that something be done about it.

Now, our terms of reference, as the committee knows, were very restricted. You will notice when the standing committees are set up they are given certain powers. For example, on page 126 of the votes and proceedings of this session the motion to set up the standing committees is to be found. Here is what was moved and carried: "That the standing committees of this House shall severally be empowered to examine and enquire into all such matters and things as may be referred to them by the House; and to report from time to time their observations and opinions thereon, with power to send for persons, papers, and records." I draw the attention of the committee to the fact that the standing committees of this House were thereby given power to report from time to time their observations and opinions on matters referred to them. Now, Mr. Brooks based his motion upon what happened in the Veterans Affairs committee in 1951. I was of the opinion that at that time, although I was not here, that the terms of reference in 1951 were wider than our present terms of reference. I have obtained and now have before me the report of the 1951 proceedings. Here is the order of reference:

That a special committee composed of 31 members to be named at a later date, be appointed to consider a bill to enact the Special Force Veterans Benefit Act; also proposed amendments to the Pension Act, the Veterans Insurance Act, the Returned Soldiers' Insurance Act, the Veterans' Business and Professional Loans Act, and such other legislation as may be placed before it, and to make recommendations from time to time in respect thereto, and that paragraph one of standing order 65 be suspended in relation thereto.

You will note that the same powers were given in 1951 as are given right along to standing committees with respect to making recommendations from time to time in respect to the matters referred to them. There was also referred to the committee in 1951 certain estimates on pensions. Of course, when estimates were referred, that certainly opened up a very wide field, especially when powers were given to report. The words are: "To make recommendations from time to time in respect thereto."

Now, if the committee will look at what our terms of reference are, you will find that those words are not included. Here are the terms of reference: "That a special committee consisting of 31 members, to be designated by the House at a later date, be appointed to consider the bill to amend the War Service Grants Act and the bill respecting benefits for members of the Canadian forces, and such other legislation relating to veterans' affairs as may be referred from time to time to the said committee; that the said committee shall have power to send for persons, papers and records, to print from day to day its minutes of proceedings and evidence, to sit while the House is

sitting and to report from time to time; that the quorum of the said committee shall consist of 10 members; and that the provisions of standing orders 64 and 65 be suspended in relation thereto."

The committee will note that the power to report their recommendations in regard to those bills is not in that order of reference. That was, of course, recognized by the members of this committee when the order of reference came before the House; it was the cause of considerable debate and of two motions to try to extend the terms of reference. In the debate members pointed out over and over again that all that this committee could possibly consider were the bills referred to it. One member even went so far as to say that this should properly not be called a Committee on Veterans Affairs but a committee to consider certain specific items of legislation. Under the terms of reference, as I read the rules it seems to me this was right and, we have no more power to do anything other than a committee of the whole House could do in respect of a bill referred to it. We have power to consider the bills referred to us and report them with or without amendments. I just ask the members of this committee, if that is true, what would they think if the chairman of the committee of the whole House were to entertain a motion like this?

Now, to show that there was no doubt in the minds of the members as to what the terms of reference meant, I will just refer briefly to some remarks made in the debate on the motion to set up the committee. The mover of this motion, Mr. Brooks dealing with these terms of reference, said on page 4553 of this year's Hansard:

The most important part of the resolution which is now before us is, of course, our terms of reference. Again we have the same criticism to make of the terms of reference setting up this committee as we have had of the terms of reference setting up committees in the past.

Those were, as I have pointed out, even more restricted terms of reference than previously.

Mr. Brooks went on:

It should be the duty of a veterans affairs committee to investigate each and every problem which concerns veterans.

Later he said:

I contend that in setting up this committee the government should have made the terms of reference wide enough to deal with veterans affairs. We should not be told that these are the only matters to which we can give consideration, because there is no body of men in Canada better qualified to judge the problems of veterans than the veterans themselves, veterans who are members of the House of Commons, and the veterans organizations across Canada who would appear before this committee to point out some of the great weaknesses in the Act and some of the requirements of veterans.

This committee is to be given absolutely no initiative. We are simply told that this is the legislation that we shall have to deal with and that is all we can deal with. As I said a moment ago, we know of the existing problems but our hands are tied as far as being able to deal with those problems is concerned.

Mr. BROOKS: Unless they are enlarged, and that is why—

The CHAIRMAN: Then Mr. Brooks said this:

—the terms of reference of the resolution do not permit us to consider what we believe are some of the big problems. I mentioned particularly the War Veterans Allowance Act which I believe is not to be considered.

He goes on to say that his basis for so stating is the statement of the Prime Minister. Then he goes on to refer to the statement of the Prime Minister:

I might also say that since the announcement of the Prime Minister a few days ago, that the war veterans allowance would not be a subject considered by the committee, I have received many letters from veterans expressing bitterness, regret and disappointment that this very important subject is not going to be considered. It is not too late yet. There is still time for the government to reconsider the resolution. There is still time, before the resolution is passed by the house today, for the minister to include in the terms of reference the question of the war veterans allowance. I am going to move an amendment.

Mr. Brooks then moved the amendment that we be given the right to consider the War Veterans Allowance Act. The Speaker ruled that amendment out of order: on the ground that a motion could not be so made to enlarge the terms of reference.

Mr. QUELCH: You mean that the House could not vote on the question of the War Veterans Allowance Act being included. There was no vote. It was ruled out of order.

The CHAIRMAN: Yes, it was ruled out of order, because the House could not so enlarge the terms of reference. I ask the committee to bear that in mind. By the motion before us the committee is asking that its powers be enlarged by the House when the government has already stated its policy to the House and it has already been ruled by the Speaker that there is no power to do so.

Then we come to Mr. Gillis. He said at page 4559:

But in the committee now to be established, and in the last committee that was set up, no longer have we had a veterans affairs committee of that kind. Now it is merely a legislative examining committee, and has power only to deal with legislation that has already been adopted by the government and treasury board.

In the last sitting of this committee on veterans affairs—and I am reasonably sure the condition will be the same with this one—the chairman was placed in a position where he could bring before the committee only those bills referred to it.

Here is the opinion of very old and experienced parliamentarians. Is it to be suggested for a moment that they did not know of the possibility—

Mr. GILLIS: You had better get Mr. Green on that somewhere too.

The CHAIRMAN: I might pay him a different compliment. Is it to be suggested that these members would make these statements if all you had to do was to make a motion such as Mr. Brooks has moved?

Mr. HERRIDGE: He was just asking that that situation should be changed.

Mr. BROOKS: The committee was set up with certain powers—

The CHAIRMAN: They said that nothing could be brought before the committee except these bills. Something is now brought before the committee, a motion having to do with the War Veterans Allowance Act.

Mr. BROOKS: Under the powers of our committee after it was set up. The committee is given certain powers after it is set up, and one is to ask for these things. That is exactly what we are doing.

The CHAIRMAN: You are talking about powers that are laid down when the committee had been set up?

Mr. BROOKS: Which has nothing to do with this.

The CHAIRMAN: When you say that the committee cannot possibly consider anything but the bills—

Mr. BROOKS: Unless our powers are enlarged.

The CHAIRMAN: We have no power to consider a motion to enlarge the powers. I am just reading your own words to you. You said that nothing could be brought before the committee except the bills referred to it. Now you are putting something additional—a motion to consider the War Veterans Allowance Act. Our terms of reference are not yet enlarged, and the very motion to enlarge them goes beyond the reference of the committee. This motion to enlarge the terms of reference of the committee is something in addition to the bills and it is something that you all said could not be put before the committee.

Mr. BROOKS: Unless it is enlarged—

The CHAIRMAN: You said that could not be put before the committee. I am just citing your own words, So you may have them in mind because I was told there was to be an appeal against my ruling.

Mr. BROOKS: I do not know yet what the ruling is.

The CHAIRMAN: It was suggested that if my ruling were adverse there would be an appeal. It was suggested that an amendment such as this might be ruled out of order.

Mr. JONES: Could I refer you to page 197?

The CHAIRMAN: I will come to that, Mr. Jones.

Mr. JONES: Especially to the latter part.

The CHAIRMAN: Just be patient. I cannot deal with everything at once.

Mr. HARKNESS: We have been patient for half an hour.

Mr. BROOKS: Let him build up an argument.

The CHAIRMAN: I can understand why you do not like your own words being cited here.

Mr. BROOKS: I do not mind my own words being cited. I am rather proud of them.

The CHAIRMAN: The next thing we come to is a statement of Mr. Hansell, representing the Social Credit party:

I suggest that the terms of reference to the committee should have been wide enough to have permitted it to study this matter and to make recommendations in the matter of war veterans allowances. That was the submission of the Social Credit party. If it were possible to consider war veterans allowances by moving a simple motion like this, would there have been a statement like that made in the House? Would there have been two motions made in order to enlarge the terms of reference? I submit that the members who were speaking about this were experienced members who knew what they were talking about. Now, Mr. Herridge, who is also an experienced member—

Mr. HERRIDGE: I do not think you can pin anything on me, I cannot support.

The Chairman:—said

However, like many other speakers, I very much regret that the terms of reference are so limited and that so far there has been no evidence of the government's intention to give the committee an opportunity of dealing with amendments to the War Veterans Allowance Act which will amend it in such a way that the veterans organizations of this country will be pleased.

Mr. HERRIDGE: Those remarks justify this resolution.

The CHAIRMAN: I do not think Mr. Herridge would have said that if he had thought we could deal with it with a motion like the one before us. Then here is Mr. Green's statement, on page 4573:

It is significant that every hon. member who has spoken in this debate, after the Minister of Veterans Affairs, has shown grave concern that this committee which is to be set up will not have the power to deal with the War Veterans Allowance Act.

Now then we are told we can entertain a motion about War Veterans Allowance Act.

Mr. BROOKS: Yes, and get the power.

The CHAIRMAN: Mr. Green goes on to say, at page 4574: "It is perfectly obvious therefore that unless there is a change of mind on the part of the cabinet there will be no bill to amend the War Veterans Allowance Act at this session and therefore the special committee, under its terms of reference cannot consider the question whether or not the present War Veterans Allowance Act is adequate."

Mr. GREEN: Read the next sentence.

The CHAIRMAN: "That, I am sure is contrary to the expectations of veterans from one coast of Canada to the other."

Mr. GREEN: Read the next one.

The CHAIRMAN: "I have here a press dispatch reporting on a letter written by the Minister of Finance which shows that he too expected that this subject would be considered by the special committee." Then you (Mr. Green) went on to regret that there was no power unless the cabinet saw fit to introduce legislation.

Then Mr. Knowles who is the expert on these matters of the rules for the C.C.F. party said, at page 4576: "It is just a special committee to deal with three bills the government has decided should be referred to such a special committee. It is not a committee to go into the broad question of what our veterans in Canada need at the present time, as previous veterans affairs committees have been permitted to do." Now, there is the opinion of the representative of the C.C.F. party.

Mr. MACDOUGALL: That is the opinion of Beausiesne.

The CHAIRMAN: Yes, but I am quoting these other authorities.

Mr. Churchill is another man who has given a very close study to our rules and here is what he said: "According to the terms of reference, it is not intended that the committee shall look further afield and look into some of the pressing problems affecting veterans. The terms of reference are restricted."

Nearly every member, of course, spoke on this including Mr. Macdonnell. When Mr. Philpott said that in some way or other we would find a way of dealing with this matter of War Veterans Allowances, Mr. Macdonnell poured scorn on that. Here is what he said: "I think that for the honourable member for Vancouver South (Mr. Philpott) to suggest that a committee that is appointed to deal with A.B.C. could rollick along and deal with D.E.F. is not very sensible."

Mr. PHILPOTT: But we have done it.

The CHAIRMAN: Mr. Macdonnell went on: "That does not seem to be a very serious contribution to the debate because even a person who knows as little of the rules as I do knows that we would not get very far if we did that kind of thing." There is the opinion of Mr. Macdonnell in regard to the matter.

I think that I have cited enough to show the opinion of the members.

Now, to quote Beausiesne, the rule that applies is 634 of his second edition which reads as follows: "A committee is bound by, and is not at liberty to depart from, the order of reference. (See Bourinot page 469). In the case of a select committee upon a bill, the bill committed to it is itself the order of reference to the committee, who must report it with or without amendment to the House." Just exactly the same as a committee of the whole House. In that respect I would just like to read to the members of the committee what was said by May in that regard. What Beausiesne said is almost

exactly the same as Bourinot in his 4th edition, and Bourinot on page 521 points out that in Great Britain select standing committees have been given the right under their standing order 63 to report their observations and recommendations but there is no such general rule in the Canadian rules.

Now, I will read what May said in this regard in May's Parliamentary Practice—I have both the 13th and the 15th edition, and this is from the 15th edition by Lord Campion, pages 525 and 592:

A select committee, like a committee of the whole House, possesses no authority except that which it derives by delegation from the House by which it is appointed. When a select committee is appointed to consider or inquire into a matter, the scope of its deliberations or inquiries is defined by the order by which the committee is appointed (termed the order of reference), and the deliberations or inquiries of the committee must be confined within the limits of the order of reference. But when a bill is committed, or referred, to a select committee, the bill is itself the order of reference, and the inquiries and deliberations of the committee must be confined to the bill and amendments relevant to the subject matter thereof.

Now, that is fairly clear. May, in the 13th edition which was written when their rules were like our rules in this respect says at page 483: "When the evidence has been concluded in a committee on a public matter, the chairman prepares resolutions or a draft report, which it is customary to print and circulate among the members before consideration. Resolutions are open to discussion and amendment, subject to the same rules as a committee of the whole House. No resolution or amendment may be proposed which is not within the order of reference; and the chairmen will decline to put it from the chair." Now, can anybody say that a motion to extend the terms of reference is within the power given to us in our terms of reference?

Mr. GREEN: This is a motion to extend the reference; but actually what this motion does is to recommend that a report be submitted to the House requesting an extension which is an entirely different thing.

The CHAIRMAN: It is a motion asking that our terms of reference be extended, and this citation says that a resolution or amendment which is not within the order of reference is not to be put by the chairmen from the chair. Surely an order to ask for an extension of the reference is not within the terms of reference because it is not in the bills referred to us.

Mr. NESBITT: Mr. Chairman—

The CHAIRMAN: If you will permit me—I would like to deal with this in one statement. May goes on to say at page 398, 13th edition. "The subject matter of a bill as disclosed by the contents thereof when read a second time, has, since 1854, formed the order of reference which governs the proceedings of the committee thereon and accordingly the objects sought by an instruction should be pertinent to the terms of that order of reference and the amendments which an instruction proposes to sanction, must be such as would further the general purpose and intention of the House in the appointment of the committee." In other words the passing of the bills referred to us. He goes on "The object of an instruction is, therefore, to endow a committee with power whereby the committee can perfect and complete the legislation defined by the contents of the bill or extend the provisions of the bill to cognate objects; and an attempt to engraft novel principles into a bill, which would be irrelevant, foreign or contradictory to the decision of the House taken on the introduction and second reading of the bill, is not within the due province of an instruction."

In other words when you want to get instructions they can only be relevant to the bill on which you are seeking instructions. So it is laid down clearly by Bourinot and May that an instruction must have a reference to the matter

referred to the committee. You have no right to go back and ask instruction on something which has nothing to do with the bill referred. I have read May, and that is followed by Bourinot, as I think is quite clear in this 4th edition. Therefore gentlemen that is one reason why it seems to me that under the rules as we have them and the terms of reference, that this motion should not be put by me because it is not within our terms of reference.

There is another ground, that made me consider that this resolution was not in order and that was the question that the House, having once decided the matter as it did, have we a right to go back and ask it to make a different decision. An amendment was made that was ruled out of order, another amendment was made and was ruled out of order. The House then said—these are the terms of reference of the committee we are setting up, and by not accepting any amendment or making any changes in that order of reference that was the final decision of the House. The member moving this motion is now asking that we pass a resolution in this committee asking the House to change its decision. At the moment the only thing that this committee is going to be able to consider is legislation that is introduced into the House and referred to us and we are asking them by this motion to say that an Act of parliament should be referred to us although they definitely passed our order of reference that these are the things, and the implication is this and nothing more. Under the rules according to Beauchesne, May and Bourinot, the only things referred are those bills introduced by the government in the House and referred to us. And that was the decision of the House. We are asking them by this proposed motion to change that decision. Now, on that question of asking parliament to change a decision at the same session, this is also referred to in Beauchesne, 3rd edition, paragraph 245, and in Bourinot 4th edition, page 328:

It is, however, an ancient rule of parliament that no question or motion can regularly be offered if it is substantially the same with one on which the judgment of the House has already been expressed during the current session.

How much more definitely can any judgment of the House be expressed than it was expressed on this particular question? If ever the House was pressed by every single member of the opposition who spoke to change its decision it was on this point. But the vote carried and we have our order of reference.

Now we, in my opinion, have no right to consider this thing at all nor have we any right to consider it by a motion asking the House to do something it has already refused to do. That is a second reason why I think that the motion is out of order. There is a further reason. Our order of reference is the four bills referred to us. Our only power is to report them with or without amendment. We have done that. Now, there is a power given to us incidental to the power given to take evidence and that is to present that evidence to the House. That is the only thing left for us to do. We have exhausted our rights except to report that evidence we have taken to the House. It was for that reason and knowing the feeling of the veterans on this committee that I thought somehow or other we should try to avail ourselves of any powers we had to let the government know we would like them to consider the representations made to us by the veterans of this country. I discussed this matter with every single member of the steering committee with the exception of Mr. Roberge—

Mr. GREEN: Now, Mr. Chairman, on that point do not tie in the steering committee in quite that way because Mr. Gillis and I spoke to you after the representations made by the Canadian Merchant Seamen and the three of us discussed very informally something being put in the report about those

seamen. Now, do not try to extend that into Mr. Gillis and myself telling you what we thought you should put in the report about the war veterans allowance.

Mr. PHILPOTT: Mr. Chairman—

Mr. GREEN: You were not there. Certainly the purport of the discussion had to do with the Canadian Merchant Seamen, and do not construe that as having been any suggestion made by Mr. Gillis or myself as to what you should put in the report on other matters.

The CHAIRMAN: The fact is that I understood it that way, as I stated it, rightly or wrongly.

Mr. BENNETT: I was there, Mr. Chairman, and we certainly did discuss war veterans allowance.

Mr. CROLL: This is the first time that Mr. Gillis is not able to speak for himself.

Mr. PHILPOTT: I was not there, but I was in this committee yesterday, when Mr. Goode and Mr. MacDougall moved their recommendation, and before the chairman put his ruling Mr. Gillis was trying to get Mr. Goode to withdraw his resolution because he received the same thing in the report which is right here. It was represented to me that we could, if we worked together, try to get the maximum good for the veterans of Canada and I was certainly very very disappointed in that rather belated attempt to play party politics with an issue as serious as this.

Mr. GREEN: Mr. Chairman, I am amazed at a charge like that coming from Mr. Philpott.

Mr. BROOKS: You need not be amazed; that is what I would expect.

Mr. GREEN: If Mr. Philpott came here as a supporter of veterans legislation then his conduct since he came here as a member speaks for itself. I am personally ready—

Mr. PHILPOTT: Who started it?

Mr. GREEN: I am personally ready to set up my record of fighting for the veterans against his, or that of anybody else.

Mr. BROOKS: You had better come to your ruling. You have laboured the question a long time.

Mr. GILLIS: Mr. Green involved me in a controversial matter. When Mr. Green and I spoke to the chairman yesterday dealing with the merchant seamen, which would be the last evidence we would take, I personally anticipated what we have mentioned here today, and suggested to the chairman he should think about including matters in our report that we were not going to be able to deal with because I had definitely the War Veterans Allowance Act in mind.

The CHAIRMAN: You will recall that I said: how can we do anything about the War Veterans Allowance Act in view of our terms of reference?

Mr. GILLIS: That is right.

The CHAIRMAN: And I said that maybe in some way in reporting the evidence we could bring it in and it was said: you go ahead and get a report ready; and my thought was we could bring that report in asking for sympathetic consideration of the representations of the legion and of the National Council of Veterans, and that perhaps we could put that through unanimously and not get into a brawl in this committee on party lines.

Mr. BROOKS: Why do you not make your ruling and let us have our say.

Mr. GREEN: We have had the experience of a unanimous report going in two years ago on this very question and nothing being done.

The CHAIRMAN: If you are so sure that nothing is going to be done why were you not ready to accept the report which I drew up on the advice of every member of the steering committee except Mr. Roberge? Why did you in turn insist on bringing in a motion of your own when you knew that this was about to come in?

Mr. GREEN: We had no knowledge of what you were going to say about the war veterans allowance.

The CHAIRMAN: Before Mr. Brooks brought his motion you had this report before you.

Mr. BROOKS: I did not have time to read it.

Mr. GREEN: If you wanted the opinion of the steering committee you should have called a meeting and not depended on something which took place in a private discussion.

The CHAIRMAN: When I was told to go ahead by the members of the steering committee and prepared the report I personally explained it to the members with the exception of Mr. Roberge.

Mr. BROOKS: You did not explain it to me at all. You met me in the restaurant when I was eating my lunch and I did not know what you were talking about. You were trying to get me to agree to something and you spoke of some conversation you had with Mr. Gillis and Mr. Green, and it had mostly to do with the seamen.

The CHAIRMAN: If you did not understand it—I will not go into our discussion—I thought I explained it fully but in any event this came up in regard to the report. I think that there is only one thing left in front of us and that is to report the evidence; and I may say that knowing the situation and the feeling of the members and realizing there was not a great deal of time I was trying to figure out how we could make some recommendation on the matter, and that is why I suggested what I did to the members of the steering committee. I was delighted when it looked as if we were going to have a unanimous recommendation on the matter. In any event I am certain now that the only right we still have, having reported the bills, is the right to report the evidence.

Mr. QUELCH: Before you make your ruling, may I say you phoned me about the report and I told you at the time that I thought the report proposed would be a good way of getting around the difficulty and I still think so. Only at that time we had not heard anything about the proposal to move a motion of any kind. You have given a good deal of evidence which in some ways probably substantiates your suggestion that the motion may be out of order, but there are many rules which we do not always observe and if we continue to disregard them they become a general practice; for instance, the rule of reading speeches in the House has never been practiced. There are many other rules of the House we continually break, and in this committee there have been several occasions where in the past motions to ask the House to waive their terms of reference have been moved without being ruled out of order. This is the first time I remember—no, I am sorry, I remember one other case. As a rule motions to amend the terms of reference are not ruled out of order but are voted down. Apparently it has never been felt by the chairman in the past that he had to rule them out of order. I remember in 1951 there was one case but I will admit in this case it may be different in view of the fact that the war veterans allowance matter was brought up in the House. That is the only ground on which it could be ruled out of order. Otherwise it is wholly in order.

The CHAIRMAN: Also the terms of reference in 1951 were wider than our terms of reference.

Mr. NESBITT: Having listened to all the arguments I take it that this particular situation is a unique situation and that exact circumstances such as this have not arisen before. Now, I know, Mr. Chairman, that rulings in the past on similar situations are always used to guide us when a different situation arises, but I think it is necessary sometimes to make distinctions on the individual facts of the situation. I know, and many members of this committee know, how courts make very fine distinctions sometimes. In this particular case one of the important things mentioned by the chairman was that the previous motions, before the committee commenced its proceedings, to extend the terms of reference were ruled out of order by the speaker in the House and that that would prevent any similar recommendations being made by this committee. But, I think that a set of facts have come up in this case that are different from the ones before. This special committee only had four bills referred to it for study—that is quite true, I agree with the Chairman—and we were asked to call witnesses and so on with reference to the four bills. We had evidence from the Legion and from the other veterans' groups and from various departmental officials and so on. Now, these four bills that we had to study were not different in nature. They all related to veterans' problems specifically and in many ways they were interrelated to the very Act in question. I think that is one of the main points, that all this legislation that we had to consider was related. It all dealt with a similar subject. In this particular case, after having heard the evidence on all four bills that dealt with related subjects, evidence was presented to us which had not been before by those various bodies. Some recommendations regarding changes as to war veterans allowances, permissive income and so on, would be of great benefit to the veterans of the country. That is the evidence that we had from all these various witnesses. Since this evidence came up before the committee with relation to these four bills which are all related, and which certainly bear some relationship to the War Veterans Allowance Act, there is no argument about that. I think it would be very proper and quite in order for this committee to submit a report to the House requesting that the terms of reference of the committee be enlarged, because of this evidence which has come before the committee as a result of the evidence that we have taken in connection with four similar bills, which are all related to each other, as to the war veterans allowances, I think that you could very well rule, in view of that, that this resolution would be in order. Whether, of course, it is passed by this committee is another matter. With respect, I think that that is the case. Now, Mr. Chairman, you mentioned that the way in which you thought we could get this on the record to be referred back to the House was in this part of the draft report which you had drawn up. It reads:

—your committee desires to draw attention to the fact—
and so on,

—in addition to representations in respect of the said bills, representations urging changes in the War Veterans Allowance Act to raise the amounts of allowances payable thereunder, and also to raise the level of permissive income.

In that particular part you are just saying that that was evidence which was presented to this particular committee. We draw attention to that evidence because it was very prominently put forward. It does not indicate, to my way of thinking, except the words "desires to draw attention," which could mean anything, what the feelings are of maybe a few or maybe all members of this committee—I do not know. To put in something of that nature looks very much to me like the old expression: "Mother, may I go down to swim?" "Yes, my darling daughter. Hang your clothes on a hickory limb, but don't

go near the water." In other words, if you want to do something go ahead and do it. I think you could very well rule that the motion by Mr. Brooks could be put forward.

Mr. BROOKS: I would like to say a few words, if I may, in this connection, and I hope that what I say will not be construed as political. You quoted a number of members who spoke in parliament. Of course, you know as well as I do why we spoke on these matters. We try to get what we can at the time.

The CHAIRMAN: I realize that that is being done now.

Mr. BROOKS: We realize that if parliament gave us the power to consider the War Veterans Allowance Act before we got into committee it would be much easier for us to have the War Veterans Allowance Act considered. So we fought for it. That is why Mr. Gillis, Mr. Green, myself and others fought for it. We were ruled out of order by the Speaker. I contend that when the committee was set up it then had certain inherent powers. This afternoon you quoted Beauchesne, but you only quoted part of that section. Section 537 of Beauchesne has this to say; I will read the whole section:

537. A committee can only consider these matters which have been committed to it by the House.

A committee is bound by, and is not at liberty to depart from, the order of reference. In the case of a select committee upon a bill, the bill committed to it is itself the order of reference to the committee, who must report it with or without amendment to the house.

That is in connection with a bill that was submitted to us.

When it has been thought desirable to do so, the House has enlarged the order of reference by means of an instruction or in the case of a select committee upon a bill by the committal to it of another bill. Mandatory instructions have also been given to select committees restricting the limits of their powers or prescribing the course of their proceedings, or directing the committee to make a special report upon certain matters.

Now, the important part of this section, and the one under which my motion was moved, is that sometimes a committee may have to obtain leave from the House to make a special report when its order of reference is limited in scope. That is exactly what we have done. We have considered that our order of reference was limited in its scope. It did not include the War Veterans Allowance Act, which we thought should be considered, and we have prepared an order, which I contend is definitely in order, Mr. Chairman. There is no question in my mind about the propriety of taking these additional powers.

Mr. HENDERSON: I think the Chairman dealt with that by quoting from May and Bourinot.

The CHAIRMAN: I drew the distinction between a standing committee, which has powers to report its opinions, and a select committee, which has not been given that power.

Mr. BROOKS: We have followed this procedure. This is the first time that any ruling of this kind has been made in this connection, and I might tell new hon. members on this committee that this is not the first time that this matter has been before the committee. I read yesterday—

The CHAIRMAN: In fairness, Mr. Brooks, the terms of reference in 1945, 1946 and 1947—

Mr. BROOKS: I know that they were very broad.

The CHAIRMAN: And even in 1951, which you cited to me—

Mr. BROOKS: In 1951 they were practically the same. You said this afternoon that it referred certain estimates to us. I think that it referred an estimate of \$2,500,000, a definite estimate with reference to pensions which had nothing to do with the war veterans allowances at all. The chairman knows that as well as I do.

The CHAIRMAN: When estimates are referred you can take up amendments and discuss all kinds of things before you grant the estimates. But the difference is this. In 1951 it was given power "to make recommendations from time to time in respect thereto." The House deliberately, I take it, left this out of our terms of reference.

Mr. BROOKS: If you want to carry the matter further, the bill with reference to the Korean veterans, for instance, gives them all the rights of the veterans in the second world war, and one of the rights of the veterans of the second world war is war veterans allowances. We know that, and if you are going to quibble over an estimate, surely you can look at it also from the point of view of a bill.

The CHAIRMAN: What was your argument, Mr. Brooks?

Mr. BROOKS: The bill dealing with Korean veterans—

The CHAIRMAN: You say that that dealt with the War Veterans Allowance Act?

Mr. BROOKS: That gives all the rights—

The CHAIRMAN: But it did not deal with the war veterans allowances?

Mr. BROOKS: Those estimates you spoke of did not deal with war veterans allowances. If it is right in one case, it is right in another. If you can argue that one estimate that you took out of the estimates gives us the wide scope to deal with the estimates, then how can you argue that a Bill that was before us—

The CHAIRMAN: I said that there was a difference in the order of reference, in two ways; one, that estimates had been referred, and the other that they were given power to make recommendations. The power to make recommendations is the pertinent point. If you look at the bill in regard to the Korean veterans, the War Veterans Allowance Act is not mentioned in that. There is no way in which the War Veterans Allowance Act, in any way, shape or form, has been placed before us by the House of Commons.

Mr. BROOKS: The Bill is the same as the estimate you speak of; if one gives us the right to deal with War Veterans Allowance the other does. I am just following your argument, which I do not agree with at all. In 1951 again I made a motion with respect to this item 650, and it was an amendment to a motion which was made, I think, by Mr. Croll. I moved that item 650 do not now carry but that this committee request to the House that it be given instructions to consider the basic rate of the Pensions Act and War Veterans Allowance Act and make recommendations in reference thereto.

The CHAIRMAN: That was an amendment in regard to reporting the estimates.

Mr. BROOKS: There was no objection taken to it. It was discussed in the committee, and it came up for a vote before the committee.

The CHAIRMAN: You moved that in connection with the estimate that was referred to the committee.

Mr. JAMES: As a recommendation.

Mr. BROOKS: I contend that under that last paragraph of section 537: "Sometimes the committee may have to obtain leave from the House to make a special report when its order of reference is limited in its scope." That covers the point.

Mr. CROLL: I agree with most of what you say. I disagree with some of the things the chairman is saying. In 1951 we tried to go back for a further reference, but the difference here is that we have already tried to obtain a further reference on the floor of the House and the House refused it.

Mr. BROOKS: The Speaker decided.

Mr. CROLL: The decision of the Speaker is the decision of the House. That is my point. That is the point that sticks in my mind.

Mr. BROOKS: It was not a vote of parliament.

Mr. CROLL: But any decision of the Speaker is the decision of the House.

The CHAIRMAN: We are hoping that in the future veterans affairs committees will be set up. If they do not scrupulously obey the directions of the House of Commons, there will be reluctance on the part of some people to set them up. We know that if they are set up we can do a great deal for the veterans, and I think it is very important that we obey all the rules, it would be in the best interests of the veterans.

Mr. BROOKS: I read the report of the Legion. I am not going to repeat all the things that were said by them, but immediate action was the most definite point that was brought out. That is not in this report of yours. It does not mean anything, because it does not set down any time. If we say, "At this present session of parliament," Mr. Chairman, I would drop my motion now. If you include that in your report here and recommend that they give consideration at the present session of Parliament, I will have nothing more to say as far as this is concerned.

The CHAIRMAN: The speaker has mentioned several times that parliament cannot take it upon itself—and certainly no committee can—to direct the executive under our system of government. We would be out of order on that ground—

Mr. BROOKS: In our report we can request that they give consideration to it at the present session.

The CHAIRMAN: Do you think that we would be likely to get more consideration than if we—

Mr. BROOKS: I think that you would get every consideration if they paid attention to this evidence.

The CHAIRMAN: If you were in the government, would you pay more attention to a motion like this or a report drawing attention to the evidence and asking that you give sympathetic consideration to it?

Mr. BROOKS: I am not a member of the government and never expect to be.

An Hon. MEMBER: That is an awful admission.

Mr. BROOKS: I am getting too old, but my experience has been that we have made recommendations similar to this, including the report with the evidence, and nothing has been done with them. What we want to do is not to protect ourselves. That is not our object in this committee. It is not to protect ourselves in that way or any other way. If this were done as we are trying to submit here, the two great benefactors would be, first, the veterans, and secondly, the government. You have nothing to lose. I remember that in the matter of asking for benefits for veterans in previous committees we had to fight our way step by step. The opposition did most of the work, but the increase was granted. Who got the credit? Not the opposition; they never do. It is the government. If you wish to help the veterans here and help yourself, vote for this motion of mine, which I think is in order, and if you will not vote for it let us put something in our report that has some strength in it.

Mr. HANNA: Mr. Chairman, I am concerned about the fact that if there are any more citations made about this matter, we will not be able to make any recommendation at all about war veterans allowances. I am more particularly concerned since you have quoted statements from members of this committee of the fact that our terms of reference—

The CHAIRMAN: I apologize to Mr. Hanna for not quoting him.

Mr. HANNA: You could not very well quote me on that point. However, we are considering the matter of the War Veterans Allowance Act at the present

time, and I think that we have considered it throughout the committee, whether it is within the terms of reference or not, and I think that it is very clear to all of us what we have in mind. Our object is to help the veterans. We would like to do something about the war veterans allowances. I recall that in this committee there have been several amendments placed before us that we asked the government to consider favourably—and some amendments concerned the expenditure of money—and I think, possibly largely because those amendments went to the government unanimously from this committee, the government considered every one of them favourably. In the matter of unemployment insurance, they back-dated the provisions as much as three years for applicants who are veterans of World War I. We all want to do something for the recipients of the war veterans allowances, and at this point I would like to refer to the draft report that has been laid before you. This draft report is very definite. It refers to the representations made by the various organizations “urging changes in the War Veterans Allowance Act to raise the amounts of allowances payable thereunder, and also to raise the level of permissive income.” I think that is what we are after. But your draft report does not end there. It goes on to say that this Committee on Veterans Affairs recommends that the government give sympathetic consideration to the said submissions. I do not think that anything could be clearer. Now, as I have indicated, it is clear what we all want to do, but there seem to be some considerable differences of opinion as to how we should go about it. I think that we can best serve the veterans of this country by making the request to the government in the best possible form. What I mean is to make the request to the government in the form that is most likely to be accepted by the government.

Now, as I have indicated, we have made certain recommendations to the government already, and they were all adopted. I suggest, Mr. Chairman, that we adopt this draft report, because I think it covers the subject very well and I believe it is in a form that will be accepted. A few members who have just spoken criticized this report and said that it does not ask for anything. I would like to read again: “Your committee recommends that the government give sympathetic consideration to the said submissions.” It is perfectly clear that the reference is to the War Veterans Allowance Act, and also to the request of the Canadian Merchant Navy Veterans Association that they get some consideration under the veterans’ charter. I would like to see this committee do what we have done already several times in this session. I would like to see us get behind this draft report unanimously, because I think it offers the greatest hope of getting the government to do something in the matter of the war veterans allowance, and after all, I think the various members will agree that that is what we are really after. I would be sorry to see anything put to a vote and be passed by a slight majority. Let us get behind this. I would like to see this report carried unanimously, because, as I say, it offers the best chance of getting the matter of the war veterans allowances attended to with the minimum of delay.

Some Hon. MEMBERS: Hear, hear.

Mr. GREEN: There is one great weakness in the argument made by Mr. Hanna, and that is that nothing can be done under his plan for the war veterans allowance recipients for a period of a year. It means that there can be no legislation at this session, and there can be no move for another year. We had this very same experience with this very same government before. In a committee in 1952 we discussed this whole question of war veterans allowances and at that time the committee made a unanimous recommendation, after the opposition members had tried to get a resolution through that parliament take action at that current session. We were either voted down or ruled out of order—I forget which. In any event, the final landing place was the

same; we were out. Then one of the government members—I think, Mr. Croll—brought in an amendment which was put through in the report, and read as follows: "Your committee further recommends to the government a continued and sympathetic study of the needs and requirements of recipients of war veterans allowance, keeping in mind the recommendations of veterans organizations in that respect and particularly with regard to permissive income."

That was a unanimous recommendation of the Committee on Veterans Affairs in 1952. It has been supported in the House ever since. We have been demanding that action be taken along this line. There has been no action taken by the government. They have done other things; in the meantime they have brought in the pension plan for members, and increased the indemnities of members; they have brought in a new welfare measure this year; they have taken these steps, but they have deliberately not made any amendment to the War Veterans Allowance Act. Now the judges, apparently, are about to be given a big increase.

The CHAIRMAN: Was it not said today that that bill was not being proceeded with?

Mr. BROOKS: No, the Prime Minister said that it was.

Mr. GREEN: Everybody but the front-line fighting men who live on war veterans allowance. This matter is very serious. I believe that, if members had stood up at the time of the debate, as Mr. Hanna did—and more credit to him—if government supporters had stood up then and demanded that something be done about the war veterans allowances, we would have had legislation this year to increase the allowance and to raise the ceiling on permissive income. What I think is the great tragedy of this session is that there was not a unanimous fight put up in the House for some benefits to be enacted for the war veterans allowance recipients at this session.

Now we get to the question as to what the committee can do to bring about action at this session. This resolution that we ask the House for an extension of our terms of reference, would be accepted by the House if it were carried unanimously by this committee. I do not believe for a minute the government would stand against us if this committee made that recommendation back to the House. The chairman may rule it out of order. He has figured out many arguments anyway. I do not know how sound they are; the chairman may rule it out of order, but he does not have the final word in this committee. This committee can overrule him on any decision he makes.

An Hon. MEMBER: A court of appeal.

Mr. GREEN: Yes, this committee controls its own functions. This committee can overrule the chairman and find that the resolution is in order and if that is done and the resolution is carried I think that the war veterans allowance men will get action at this session.

If the objective is not to be achieved in that way, then we might reach the same objective by adding to the draft report which the chairman has submitted something asking that that be done at this session. If this committee will stand behind an action of that kind then there will be benefit to these men at this session. I believe the cabinet was just on the totter on this question. I think that is why the setting up of this committee was delayed some time because it was hoped in the cabinet they would put through an increase in war veterans allowance. With that feeling in the cabinet itself, the unanimous word going from this committee would even yet bring about an improvement in the War Veterans Allowance Act.

But, if we fail to do this, if we allow technicalities to prevent us from making a recommendation for action now, then who gets the blame? This veterans affairs committee will be blamed for failing to look after the interests of the veterans. We have had representations from the legion, from the national

council, and the whole country is in favour of this move being made. There have been editorials in all the leading newspapers in Canada favouring an increase in the allowance and certainly favouring an increase in the ceiling of permissive income.

I suggest that this committee should not put itself in the position of being the body that has let these men down. After all the main question here is not a question of rules or technicalities or of speakers or of chairmen or anything of that kind. The main question here is whether these old comrades of ours are going to get fair treatment. They are not getting it now and the only way we can see that they do get it is to put through a unanimous recommendation to the House asking for legislation at this session.

Personally that is the stand I intend to take. I made up my mind when I came here in 1935, that I would stand for the veteran even against my own party or anybody in this House. I think we are today in a position to do perhaps the most worthwhile thing we ever could do for the veterans, and that is get this war veterans allowance matter cleared up. If we are afraid to go back to the House with a recommendation and do only as Mr. Nesbitt described it, namely say to the government: "Will you please give a little more consideration to this question." That is not the way to deal with governments. That is what we tried to do two years ago. We have had the practical experience of having such an appeal ignored. Do not let us be put in that position again.

Mr. JONES: I think that we are all of the same mind as Mr. Green, anxious to do the best we can for the burned out veteran, but I realize the difficulties that the chairman is under. Is there not a possibility that both Mr. Brooks' amendment and the report could be modified in some way? I was going to suggest that the words "representations urging immediate changes in the war veterans allowance" be inserted. Would not the word "immediate" meet your objection? I am trying to meet the objection that is being raised.

The CHAIRMAN: Mr. Jones, I deferred making a ruling until I had heard anyone who wished to speak.

Mr. HERRIDGE: Before you do, I wish first of all to congratulate you on your homework. You must have spent a good many hours checking what you were going to say and looking up the precedents, and so on. I think it is a fact that we all regret that the terms of reference are not wider and we would like to get them widened. I support wholeheartedly what has been said by Mr. Green and Mr. Brooks. We passed a unanimous recommendation in 1952 and no action was taken. Mr. Green and I both belonged to the same company in the first world war.

The CHAIRMAN: I am surprised at that, seeing where you both sit now.

Mr. HERRIDGE: I wholeheartedly support this motion. I think that all the members of this committee are in favour of the government doing something now. Therefore, I think this committee should show some strength by supporting this resolution then perhaps we would get some action by the Government this session. Look at the money that we are spending on other matters. The paltry sum required to meet this proposal by the legions is a mere bagatelle.

Mr. HANNA: I appreciate the remarks made by Mr. Green and the other members. Mr. Green made reference to technicalities and in view of all the citations given this afternoon I suggest that the method he suggested of achieving the end we have in mind is wrought with difficulties. I think the request that the government be sympathetic to this matter of war veterans allowance as presented by the war veterans organizations is the more direct method and the one that has the most chance of success. I would like to say that I favour the unanimous endorsement of this report because I think it is free from technicalities and will make a greater impression on the government.

Mr. DINSDALE: Just briefly, I rise more to seek information than to make any direct contribution. I have been somewhat perplexed by the discussion during the last hour and a half. As I have sat in on this committee it seems to me that opinion has consolidated around the idea that urgent action is necessary on behalf of the recipients of war veterans allowances in this country. During the discussion in the House, it received major emphasis but as has already been indicated, I think there was only one spokesman from the government side. As I listened to the discussion this afternoon it seemed to me that everyone in this committee is wholeheartedly in support of the idea that immediate action be taken to implement the recommendations that have been put forward by the legion and the other groups that have appeared before this committee. I see little hope of having immediate action taken if we merely repeat the process of a few years ago when we made a pious recommendation. There is nothing to suggest that it will be received with any greater enthusiasm than that with which it was received two years ago. So, after we have arrived at a position in this committee where opinion has been consolidated around this point, after all the evidence that has been presented by the various groups before us, is there no way in which this committee can express in forcible terms that it has changed its mind or that it has consolidated its opinion in this regard? It seems to me that the discussion of the last hour and a half has been an attempt to circumvent a more forceful representation. This committee, having changed its mind, or having had its opinions strengthened in regard to the matter for more action vis-a-vis war veterans allowance, is there now no way under the rules by which we can make a more forceful suggestion than was done a few years ago?

The CHAIRMAN: If this motion of Mr. Brooks were in order, were put to the committee and were carried I would then report to the House that we were asking that our terms of reference be enlarged to enable us to deal with the War Veterans Allowance Act and make recommendations in respect thereof at the present session of parliament. Once that report was tabled in the House then there would have to be a motion made to have it concurred in. In view of what has happened in the House before and the definite statement of the Prime Minister, does anyone here think that tabling a report like that, which would have no effect unless concurred in by the House, would place us any further ahead than we would be by unanimously endorsing a suggestion that the government give sympathetic consideration to the submissions of the Canadian Legion and the national council? I told you that I was very anxious to do what I thought would advance the cause of the veteran most and I gave a lot of time to thinking about how this could be done effectively, and surely my conscience is clear that it would be much more effective, in my opinion, to pass a report such as I have suggested than to bring a report back to the House which appears to flout their authority and then have to turn around and ask them to pass it. I ask any member of the committee here how far you would get with somebody making a motion to adopt a report which goes contrary to our terms of reference, which brings in something that, according to the rules that govern us, we have no right to consider and which flies directly contrary to the considered statement of the Prime Minister?

Mr. HANNA: The hon. member for Brandon referred to this draft report as a pious wish. It is not a pious wish; it is a firm recommendation, and it reads: "Your committee recommends that the government give sympathetic consideration to the said submissions."

Mr. CROLL: The draft report that is before us is not the last word on the report. When we deal with it we may suggest a few changes in wording that would make it a little more forceful. I do not think the committee has made up its mind on the report. Let us get to it.

Mr. GILLIS: A simple thing for me to do, as a member of the opposition, would be to get up here and beat the chairman.

The CHAIRMAN: He is used to that sort of thing.

Mr. GILLIS: I am not so sure that there would have been a report like this by the chairman if it were not for Mr. Green and myself. We went to the chairman.

The CHAIRMAN: That is correct; if you had not come and asked me, I would not have brought it in.

Mr. GILLIS: I was not sure that he was going to be able to include the War Veterans Allowance Act in his report. If he had been left to his devices, perhaps we may have been before this committee today with just this motion, and opposition members—the half dozen that are here—could get up and vote for it and the rest would vote it down, and that would be the end of it. When I asked Mr. Green to have a word to the chairman with me, what I had in mind was that the matter of the War Veterans Allowance Act, as far as the government was concerned, was decided before it came to this committee. I would like to say, for Mr. Dinsdale's benefit, that there was no new evidence.

Mr. DINSDALE: No new emphasis. "Emphasis" is the word.

Mr. GILLIS: The Legion representatives here met the cabinet—that is the government—a few weeks before this committee was set up, and according to press reports the Prime Minister was quoted as definitely saying that there would be no changes in the War Veterans Allowance Act at this session of parliament. That is a government decision. On the floor of the House there were two attempts made to move a motion, and the chairman ruled them out of order. The committee had practically finished its deliberations. I wanted something from this committee that would at least get back to the government indicating that this committee wanted something done about war veterans allowances. I figured that the only way in which we could do it under the circumstances was to get the chairman—because you have to sell him first—to include in his report a reference to the War Veterans Allowance Act and to the merchant seamen. He did that. The matter is here, and, if the report goes in, at least something will go back, instead of just voting down a motion.

Mr. BROOKS: The same as in 1952.

Mr. GILLIS: That is all we can do about it. This committee is not supreme in this matter. The unfortunate thing about the War Veterans Allowance Act was that the government made a decision on it before we ever got it. The cabinet made a decision, and they are the government.

Mr. BROOKS: They change their minds sometimes.

Mr. GILLIS: But this is not the way, I think, to make them change their minds. The thing I am afraid of, as far as this committee is concerned, is that we are fighting for a veterans committee that will be a continuing committee to examine veterans' legislation week by week as this House sits. The members here are all veterans, and there is no doubt in my mind as to the attitude of any member of this committee when it comes to veterans' problems, but I would like to be fair to members of government who are here. We are putting them on the spot, and is it reasonable to suppose that if I was in their position, or if Mr. Dinsdale was in their position, and the Prime Minister and the cabinet had already made a decision on this matter and the House had rejected it twice, these fellows could go and tell the government and tell the Speaker of the House, "Despite your opinions and rulings, we are going to say that you should do this or do that or do the other thing." That is not reasonable. I am not concerned with just making this committee a sounding board; it never was that. This committee at this session served a very useful purpose. We had many amendments that were later decided on by the government; but because

this committee was here and analyzed and recommended certain changes, we got those changes made. If it were not for a committee of this kind, how many amendments do you get in legislation in ordinary standing committees? Not very many. In this committee, and even with that particular recommendation made in 1952, there was something done about it. I have twenty-four branches of the Legion right in the centre I sit in. I was in the veterans organization before there was a Legion, and I am still a member of it.

Mr. NESBITT: May I ask a question?

Mr. GILLIS: Just a minute. There was something done about it. The sore spot in veterans allowances for years was the question of permissive earnings. There was a directive issued after this committee made its recommendation—I think the number is 701. It was issued, members received it, and there were very substantial changes made in that directive in connection with permissive earnings, and I am quite sure that was because of the working over that the very question of casual earnings got in 1952 before this committee, because that was the point that we hammered at. Arising out of those recommendations, something was obtained. It would be easy for me to beat the chairman and support Mr. Brooks, but if we want this committee to be of value in the future we have to show that we are in here with one mind, and we will take the reasonable stand on any proposition that comes before this committee, and I suggest that if there is any way in which you can re-word this recommendation—

Mr. CROLL: Give us a chance. I have an amendment, if I have a chance to present it.

Mr. GILLIS: This is the first time that I have got up this afternoon. I want to say something about this, because I like to be fair to the members of the committee here, who I know are rather hogtied because of previous decisions that were made. I am sure that that report is the only thing that is going to leave this committee. You can holler all day about this motion, but that motion is not going to be of any advantage, even if it is voted, and it is not going to be of any advantage if it is ruled out of order, but if we can get something in the report that will be unanimous, it will get into the hands of the cabinet and its advisers, and we may get something out of it—perhaps not all that we are looking for, but something. We are certainly not going to get anything out of a vote.

The CHAIRMAN: I appreciate what you said, but to keep the record straight I must say this. I had been thinking about some way in which we could make a recommendation within our terms of reference, and I thought of this way of doing it. I took it up with some of our own members. However, there seemed to be such a division in the committee that, until Mr. Gillis and Mr. Green came to me, it looked to me as though it would be impossible for us to get together on anything. When they Messrs Gillis and Green intimated to me that they would like me to do something about it, I said to them that this was the only way I could see in which we could do it. They intimated that they thought that that was probably a good idea, and I was then encouraged—

Mr. GREEN: On a point of order again: as far as I am concerned, I spoke to you about the Canadian merchant seamen and nothing else.

The CHAIRMAN: That may have been your understanding, Mr. Green.

Mr. GREEN: I am not questioning your word or Mr. Gillis's word, but, so far as I am concerned, I would like to say that I came to you about the Canadian merchant navy veterans.

Mr. GILLIS: I definitely spoke to him about veterans allowances.

The CHAIRMAN: I had it very much in mind and discussed it with our own members, and I thought that this was the only way to do it. They seemed to be very favourable to the idea. There seemed to be such a division that I

thought we would not be able to deal with it unanimously. When you and Mr. Gillis came to me and, as I thought, fell in line with what I figured out, as I said, I was encouraged. You may have misunderstood me, or I may have misunderstood you. Then I went to explain it to Mr. Brooks.

Mr. BROOKS: It was the merchant navy veterans that you discussed with me.

The CHAIRMAN: That is what you may have thought, but actually I was more interested in the other matter, because it affects far more people. Apparently I did not make myself as clear to Mr. Brooks or Mr. Green as I should have. I talked to Mr. Quelch on the telephone.

Mr. QUELCH: I came to you in the House and suggested to you that one of the Liberal members on the committee should make a recommendation with regard to war veterans allowances. I thought it would be better than if one of the opposition members did it.

The CHAIRMAN: Then I phoned, and explained that it appeared that this idea was the only one that would enable this to be done. I went back to our own party members again, and they were delighted that we would be able to get together on something in this matter. That is the history of it, and I appreciate the attitude of all concerned in the matter.

Mr. HENDERSON: Let us have the ruling.

The CHAIRMAN: I am assured by the clerk, and also I have taken advice, that there is no direct appeal on my ruling. I do not think that this motion should be put by me as chairman of this committee. Actually the appeal is to the House itself, just the same as is the case in the committee of the whole House. While that is the rule, I do not intend to insist on applying that rule. If there is an appeal from my ruling, I will have the committee polled. I am trying to do a job and uphold the rules. So I rule that I will not put this motion, because I do not think it is within our terms of reference.

Mr. BROOK: As I stated before, I do not agree with your ruling, and I suppose I have as much right to my opinion as anyone else, and on that ground I appeal from your ruling.

The CHAIRMAN: I say that there is no direct power to appeal, but I will still take the opinion of the committee. Do you want to have a recorded vote?

Mr. BROOKS: Yes.

The CHAIRMAN: I think it is better that it should be decided here rather than on the floor of the House.

Mr. BROOKS: I must read up on my rules, but I thought there was an appeal.

Mr. HARKNESS: We certainly had plenty of appeals in the past.

The CHAIRMAN: Will you call the roll?

Mr. JUTRAS: What is the question?

The CHAIRMAN: I said that this motion was not within our terms of reference. Therefore I cannot put it to the committee. Mr. Brooks has appealed from my ruling and I have asked the clerk to poll the committee.

Mr. BENNETT: What do you wish us to say in order to sustain your ruling?

The CHAIRMAN: Those in favour of sustaining the ruling of the Chair will say "yea", and those against it will say "nay".

(A vote was taken at this point.)

The CLERK: The "yeas" were eighteen; and the "nays" nine.

The CHAIRMAN: The question now before us is consideration of our report to the House and this is usually done in "camera". (The committee continued in camera).

Whereafter:

Mr. CROLL: Mr. Chairman, before we adjourn I would like to express to you our thanks for the splendid way in which you have conducted the business of the committee.

Mr. GREEN: Yes, Mr. Chairman, and I wish to associate myself with Mr. Croll's remarks. I think you have demonstrated great restraint throughout our meetings.

The CHAIRMAN: I thank you all for your generous words and cooperation. There is one statement I wish to make. The clerk has drawn to my attention the fact that the attendance at this meeting has been most remarkable. The clerk tells me that in all his experience he has never seen a committee which was so well attended. In one or two cases there was a 100 per cent attendance and in general there was an absence of only one or two members. I wish to have that statement on the record so that the veterans of Canada will know how well and diligently their business was attended to by this committee. I thank you again gentlemen for your help and cooperation in the work of this committee. It has been a pleasure to work with you.

(The committee is adjourned.)

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Canada: Veterans Affairs,
Special Committee on, 1955

HOUSE OF COMMONS

Second Session—Twenty-second Parliament
1955

SPECIAL COMMITTEE

ON

VETERANS AFFAIRS

Chairman: W. A. TUCKER, Esq.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 1

BILL 164

An Act to Amend the War Veterans Allowance Act, 1952

WEDNESDAY, MARCH 9, 1955

FRIDAY, MARCH 11, 1955

WITNESSES:

Very Reverend Dean John O. Anderson, M.C., Dominion President, and
Mr. D. M. Thompson, Chief Welfare Officer, of the Canadian Legion,
B.E.S.L.

EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1955.

SPECIAL COMMITTEE
ON
VETERANS AFFAIRS
Chairman: W. A. Tucker, Esq.,
and

MESSRS.

Balcom
Bennett (*Grey North*)
Brooks
Cardin
Carter
Cavers
Croll
Dickey
Dinsdale
Enfield
Forgie

Gauthier (*Portneuf*)
Gillis
Goode
Green
Hahn
Hanna
Harkness
Henderson
Herridge
Jones

MacDougall
Murphy (*Westmorland*)
Pearkes
Philpott
Quelch
Roberge
Tucker
Weaver
Weselak
White (*Hastings-
Frontenac*)

R. J. GRATRIX,
Clerk of the Committee.

ORDERS OF REFERENCE

MONDAY, March 7, 1955.

Resolved,—That a Special Committee consisting of 31 Members, to be designated by the House at a later date, be appointed to consider a bill to amend the War Veterans Allowance Act, 1952, and a bill to amend the Veterans Benefit Act, 1954, and such other legislation relating to Veterans Affairs as may be referred from time to time to the said Committee; that the said Committee shall have power to send for persons, papers and records, to print from day to day its minutes of proceedings and evidence, to sit while the House is sitting and to report from time to time; that the quorum of the said Committee shall consist of ten members; and that the provisions of Standing Orders 64 and 65 be suspended in relation thereto.

MONDAY, March 7, 1955.

Resolved,—That Messrs. Balcom, Bennett (*Grey North*), Brooks, Cardin, Carter, Cavers, Croll, Dickey, Dinsdale, Enfield, Forgie, Gauthier (*Portneuf*), Gillis, Goode, Green, Hahn, Hanna, Harkness, Henderson, Herridge, Jones, MacDougall, Murphy (*Westmorland*), Pearkes, Philpott, Quelch, Roberge, Tucker, Weaver, Weselak and White (*Hastings-Frontenac*), constitute the Special Committee on Veterans Affairs appointed this day to consider certain bills relating to Veterans Affairs.

MONDAY, March 7, 1955.

Ordered,—That the following Bill be referred to the said Committee: Bill No. 164, An Act to amend the War Veterans Allowance Act, 1952.

Attest.

LÉON J. RAYMOND,
Clerk of the House.

MINUTES OF PROCEEDINGS

WEDNESDAY, March 9, 1955.

The Special Committee on Veterans Affairs met at 10.30 o'clock a.m. this day.

Members present: Messrs. Balcom, Bennett (*Grey North*), Brooks, Cardin, Carter, Cavers, Croll, Enfield, Gauthier (*Portneuf*), Green, Hahn, Hanna, Henderson, Herridge, Jones, MacDougall, Pearkes, Quelch, Roberge, Tucker, Weaver, Weselak and White (*Hastings-Frontenac*).

A quorum having assembled, Mr. MacDougall, addressing himself to the Clerk of the Committee, moved that Mr. Tucker be Chairman of the Committee.

There being no other nominations, and the question having been put on the said motion, Mr. Tucker was unanimously elected Chairman and took the Chair.

The Chairman expressed appreciation for the honour bestowed on him by the Members in again electing him to preside over the Committee.

The Order of Reference was taken as read.

On motion of Mr. Roberge,

Resolved,—That a Subcommittee on Agenda and Procedure to be comprised of the Chairman and eight Members be appointed.

Whereupon the following Members were designated to act with the Chairman on the said Subcommittee: Messrs. Bennett (*Grey North*), Brooks, Croll, Gillis, Green, MacDougall, Quelch and Roberge.

On motion of Mr. Cavers,

Resolved,—That the Committee print from day to day 1,000 copies in English and 200 copies in French of its Minutes of Proceedings and Evidence.

It was agreed that the Committee would hear representatives of the Canadian Legion on Friday, March 11th, at 3.00 o'clock p.m.; and representatives of the National Council of Veteran Associations in Canada, on Monday, March 14th, at 10.30 o'clock a.m.

At 10.50 o'clock a.m., the Committee adjourned to meet again at 3.00 o'clock p.m., Friday, March 11th, 1955.

R. J. GRATRIX,
Clerk of the Committee.

FRIDAY, March 11, 1955.

The Special Committee on Veterans Affairs met at 3.00 o'clock p.m. this day. Mr. Walter A. Tucker, Chairman, presided.

Members present: Messrs. Balcom, Bennett (*Grey North*), Brooks, Carter, Dinsdale, Enfield, Forgie, Gauthier (*Portneuf*), Gillis, Goode, Green, Hahn, Hanna, Harkness, Henderson, Herridge, Jones, MacDougall, Pearkes, Philpott, Quelch, Roberge, Weaver and White (*Hastings-Frontenac*).

In attendance: The Honourable Hugues Lapointe, Minister of Veterans Affairs, and the following departmental officials: Mr. G. L. Lalonde, Acting Deputy Minister; Mr. G. H. Parliament, Director General of Welfare Services; Mr. J. L. Melville, Chairman of the Canadian Pension Commission; Colonel F. J. G. Garneau, Chairman, War Veterans Allowance Board; Mr. F. L. Barrow, Secretary; Mr. W. Gordon Gunn, Q.C., Director of Legal Services; Mr. E. J. Rider, Research Adviser, and C. N. Knight, Director Social Services Division. Also, the Very Reverend Dean John O. Anderson, M.C., President; Mr. T. D. Anderson, Dominion Secretary; Mr. D. M. Thompson, Director of Service Bureau; Mr. T. A. Kines, Director of Administration, all of the Canadian Legion, B.E.S.L. Also, Mr. John Hundevad, Editor in Chief, and Mr. Lorne Manchester, Assistant Editor of The Legionary, and Mr. J. B. Bowler, C.B.E., Ministry representative of the British Ministry of Pensions.

The Committee commenced consideration Bill 164, An Act to amend the War Veterans Allowance Act, 1952.

The Minister of Veterans Affairs welcomed the delegation of the Canadian Legion on behalf of the Government and the Committee.

Dean Anderson was called and introduced the members of his delegation. He then presented a brief, was questioned thereon and retired.

Mr. Thompson was called, answered various questions arising out of the Legion's brief and was retired.

The Honourable Mr. Lapointe and Messrs. Lalonde and Garneau answered questions specifically referred to them.

The Chairman, on behalf of the Committee, thanked the Legion delegation for their brief and extended an invitation to them to appear again in the event of a further reference being made to the Committee in which the Legion is interested.

The Chairman informed the Committee that representatives of the National Council of Veterans Associations in Canada would appear at the next meeting of the Committee.

At 4.05 o'clock p.m., the Committee adjourned to meet again at 10.30 o'clock a.m., Monday, March 14.

R. J. GRATRIX,
Clerk of the Committee.

EVIDENCE

March 11, 1955.

3.00 p.m.

The CHAIRMAN: Gentlemen, if you will take your seats, we have a quorum and shall proceed.

The first item will be a word of welcome from the Minister of Veterans Affairs to the delegation from the Canadian Legion appearing before us this afternoon. If the minister will commence he can introduce the delegation and welcome them. Also we can welcome him to the committee this afternoon.

Hon. HUGUES LAPOINTE (*Minister of Veterans Affairs*): Well, Mr. Chairman, I wish to thank you for giving me this opportunity as a non-member of this committee to welcome, on behalf of the government of Canada—and I am sure on behalf of the members of this committee—the delegation from the Canadian Legion.

We are all very pleased, I am sure, at seeing our good friend, the Very Reverend Dean Anderson, the president of the Dominion Command, and his executive.

For some years past it has been the established practice—and a very good one indeed—that the Dominion Command of the Canadian Legion, representing the largest ex-service men's organization in this country, should be afforded an opportunity to express their views on the legislation pertaining to veterans which is introduced in this House. For this reason it has been the desire of the Committee on Veterans Affairs to hear them at the earliest opportunity.

Such presentations on their part have always proved to be very useful indeed, and from the exchange of ideas which result from such presentations, a lot of good has come to all the veterans in this country.

For this reason I am particularly pleased to welcome the delegation today on behalf of the members of this committee. That is all, sir. The president, the Very Reverend Dean John O. Anderson, M.C., is ready to present his brief, and I am sure that the members would like to hear from him now.

The CHAIRMAN: This, gentlemen, is the President of the Canadian Legion, the Very Reverend Dean John O. Anderson, M.C. On your behalf I extend to him a most cordial welcome here today.

I think probably it would be better for him to introduce those who are associated with him in his delegation today. Will you please introduce them now, Dean Anderson, and if you want them to sit alongside of you to assist you, that will be fine.

The Very Reverend Dean John O. Anderson, M.C., President of the Canadian Legion, called.

The WITNESS: Thank you very much, Mr. Tucker.

On my left is Mr. T. D. Anderson, Dominion Secretary of the Canadian Legion. Occasionally he is ordained and occasionally he is not ordained, depending upon who answers the telephone.

The Director of Service Bureau, Mr. D. M. Thompson, and Director of Administration, Mr. Thomas A. Kines, are on his right.

I want to thank you, Mr. Minister, for your kind remarks of welcome.

Now, Mr. Chairman, gentlemen, and members of the committee, I believe you have copies available of our brief, so with your permission, sir, I will just read it to you.

Mr. Chairman and Members of the Parliamentary Committee: we sincerely appreciate the opportunity of appearing before a Special Parliamentary Committee on Veterans Affairs. It is our opinion that referring new veterans' legislation and proposed amendments to such legislation for the consideration of parliamentary committees is a good practice. We know that successive special parliamentary committees have played a very important part in the preparation and adoption of the many items of legislation which today provide substantial benefits to Canadian ex-service men and women. We hope that we will continue to enjoy the privilege of appearing before parliamentary committees on Veterans Affairs and that our representations will at all times be considered as helpful and constructive as they are intended to be.

We understand that the terms of reference of this committee permit consideration only of Bill 164 presently before you. However, we will address our remarks to certain specific recommendations with respect to war veterans' allowances. We regret that some of these do not come within the terms of reference of the committee, but we would express the hope that in such cases the committee might see fit to refer these matters to the government with a request that they be given earnest and early consideration.

We would urgently request that this committee recommend to the government the immediate adoption of the following measures:—

1. Basic rates of war veterans' allowance

Recommendation

That the basic rate of war veterans' allowance be increased to \$60.00 per month for a single veteran, and \$120 per month for those who are married.

Comment

We are pleased to note that the basic rate for unmarried recipients as set forth in Bill 164 meets in full the Legion's requests, and we wish to commend the government for the action taken in this regard.

We now understand from the minister's statement to the House of Commons on March 4th, that the regulations governing the assistance fund will make it possible to supplement the married rate—and the single rate too—to \$120 per month where the need is established. This means, however, that before the supplementation is forthcoming the veteran must be subjected to a second means test. There is also the possibility that assistance may be denied in some legitimate cases. Surely it is more equitable to set the basic rate for married recipients at \$120.

The arguments in support of our request for the increase to \$120 per month are as valid today as ever. They are:—

1. The war veteran has always been recognized by the Canadian people and by successive Canadian governments as meriting special consideration, and there can therefore be no basis for serious criticism if W.V.A. rates are higher than those payable to old age pensioners.

Canada's old age pension at 70 without a means test is largely financed by taxes designated for that particular purpose. Old age pension before the age of 70, in cases of need, requires only 20 years' residence in Canada to qualify—surely not a harsh or onerous requirement. But the basis of eligibility for W.V.A. is service in a theatre of war—a very different matter. The benefits available must therefore be measured by a different yardstick.

2. Under the existing rates proposed in Bill 164, the veteran, his wife, and in some cases minor children, who must depend entirely on war veterans' allowance will suffer privation.

2. CEILINGS ON PERMISSIVE INCOME

Recommendation

That the ceilings on total permissible income under W.V.A., be increased to \$1,200 per year in the case of a single recipient and \$2,000 per year in the case of those married.

Comment

We must again reiterate that, even if this section of the Act is amended as proposed in Bill 164, the act will still tend to defeat its own purpose. If the allowance is intended to assist the aged and needy veteran the low ceilings on permissive income prevent him from supplementing the allowance sufficiently to enjoy a reasonable standard of living.

The legislators of Canada consider that a married couple require the first \$2,000 of income in order to subsist, and the Income Tax Act so provides. Yet the proposed ceilings on total permissible incomes will make it necessary for a married couple in receipt of W.V.A. to live on \$1,440 a year.

The War Veterans' Allowance Act recognizes that the ceiling is too low, and under section 4 and the regulations governing casual earnings, permit it to be substantially exceeded. Yet for those unable to avail themselves of these provisions no exceptions are permitted.

Section 4 and the provisions governing casual earnings also recognize the desirability of self-help, but this recognition is not extended to those who by forethought and thrift have gained for themselves small pensions or retirement annuities. The great merit of our Old Age Security Act is that it recognizes the desirability of encouraging individual thrift and saving, but the War Veterans' Allowance Act discourages it.

Our pension laws recognize that pensions for disabilities cannot be affected by the earnings of the individual, but the small pensioner who must also use war veterans' allowance, finds his pension of little value because its amount is practically deducted from his allowance.

These and other anomalies would be largely eliminated if the ceiling on permissible income were increased to \$1,200 and \$2,000.

3. ALLOWANCES TO MINOR CHILDREN

Recommendation

That allowances on behalf of minor children of W.V.A. recipients be paid on the same basis as such allowances are now paid to the children of disability pensioners.

Comment

While there are veterans over 60 in receipt of the allowance who would certainly benefit by this change, it is particularly essential in the case of the veteran under 60 who is in receipt of W.V.A. because he is incapacitated. In some cases the veteran in this category is at present trying to support a wife and several small children on \$90 per month. Under the terms of Bill 164 he will receive \$108. We submit that this is still an insufficient income upon which to support both a wife and children and special allowances for the children are sorely needed in such cases.

4. CANADIAN VETERANS RESIDENT OUTSIDE CANADA

Recommendation

That Canadian veterans resident outside of Canada and otherwise qualified, be granted war veterans' allowance.

Comment

Some veterans of the Canadian forces, for various reasons, reside outside of Canada. We feel that these veterans should not be denied the right to war veterans' allowance. The numbers are small and the cost would not be great if this recommendation were acted upon.

5. WIDOWS OF ALLIED EX-SERVICE MEN

Recommendation

That widows of Allied ex-service men be granted W.V.A. in cases where the husband died before completing 20 years' residence in Canada provided that the widow herself lived 20 years here, and the husband was otherwise eligible.

Comment

In many cases the husband may have lived in Canada for a lengthy period of time, paid Canadian taxes and seen his sons and daughters serve in the armed forces of this country. If the widow has continued to live and work here for 20 years or more she should be eligible for W.V.A. provided she is otherwise qualified.

6. VETERANS OF WORLD WAR I WITH SERVICE IN ENGLAND ONLY

Recommendation

That veterans of World War I who saw service in England only be granted war veterans' allowance.

Comment

Veterans of World War II who served in England only are eligible for W.V.A., and many who served in the same theatre during World War I suffered equal, if not greater, hardship.

The WITNESS: Mr. Chairman, Mr. Minister, gentlemen of the committee that is our presentation at this time. I noticed in *Hansard* that the minister mentioned when the committee was set up that it was being set up to consider such legislation as might be presented to it from time to time. We would be very happy to appear again if there is any other item which comes before you on which we have any recommendations to make.

Thank you very much, sir.

The CHAIRMAN: Are there any questions of Dean Anderson.

Mr. GOODE: I do not have a question, but I wish to make a comment. The tone of the brief, if a private member may be allowed to say so, is much more happy than some we have listened to before and I think that the co-operation of the private members will be that much more effective.

Hon. Mr. LAPOINTE: I hope you do not believe that the minister prompted that comment.

The CHAIRMAN: Does anyone else wish to make a comment or ask a question?

By Mr. Brooks:

Q. On page 3 of the brief, half way down, it says:

There is also the possibility that assistance may be denied in some legitimate cases.

I wonder if Dean Anderson would care to enlarge on that?—A. With your permission I have the Director of Service Bureau here who deals with more specific cases. With your permission I would ask him to give you the information on that point.

Mr. D. M. THOMPSON: Mr. Chairman and gentlemen, the point there I think is that although the man may be able to have his allowance supplemented by the assistance fund from the \$108 to \$120, as was referred to earlier in our brief; there is the fact that the man must initially be on the \$108 a month basis. He must then on his own make application for the additional assistance from the assistance fund. That must be then investigated, reviewed, and there is always, no matter how conscientious the departmental officials may be, a certain time lapse before the case is fully investigated, and the assistance fund put into operation. The point there is that we feel that during that lapsed period the man is getting \$108 instead of \$120, and upon subsequent investigation where the need is proven and the maximum of \$120 is granted.

Mr. FORGIE: The word "denied" surely is improperly used there. It is not a denial of the rights.

The CHAIRMAN: The suggestion is you were saying that it will be delayed and in the brief it says denied.

Mr. THOMPSON: There is a certain amount of discretion left to the people administering the assistance fund and it is quite within the realm of possibility that there can be legitimate cases which will be denied which may be subsequently reconsidered and granted. But, I think the records will probably show under the present assistance fund that there have been cases denied and on subsequent reconsideration granted.

Mr. BROOKS: They are subject to a means test?

Mr. THOMPSON: There is a means test and other procedure to be followed during which time they do not have the benefit of that additional money.

Mr. GREEN: Is there a regular form of application which must be made for this assistance?

Mr. THOMPSON: Actually the departmental officers could give you the full details, but I understand the man must ask for the supplementary assistance and then, I believe, there is a form. The department has a formula by which the man's circumstances are compared to see if he merits assistance. They do have a definite procedure and a definite investigation.

Mr. GREEN: I wonder if the departmental officers could let us see a copy of the application form which has to be completed by the veteran? I wonder whether, Mr. Chairman, one of the officers could let us see a copy of the application?

The CHAIRMAN: We shall have it before us at the meeting on Monday.

Mr. GREEN: Do I understand you to say, Mr. Thompson, that no assistance could be given unless a man was in receipt of the full war veterans allowance.

Mr. THOMPSON: He must be receiving the maximum war veterans allowance. They cannot help him beyond the total permissible income.

Mr. GREEN: Suppose he has a certain amount of income over \$10 with the result that he does not get the full war veterans allowance. Is he then entitled to any assistance through the fund?

Mr. THOMPSON: As I understand it in the case you mentioned the man's income is already at the maximum. My understanding is that he would not be eligible for the assistance fund.

Mr. GREEN: Because having got this allowance it would bring his income up over \$120 yearly ?

Mr. THOMPSON: That is what we understand.

Mr. BROOKS: The total income cannot exceed the ceiling, that is really the point.

Mr. HERRIDGE: I am interested in recommendation 4 on page 7 that Canadian veterans outside Canada, in other parts of the world, should be granted an allowance. My experience is this: that I know several cases of men who receive no war veterans allowance, and who have found it absolutely necessary to move into another climate for reasons of health. One man I know lives in Mexico because he has a lung infection and the altitude and the dryness of the air suits him. He does not receive an allowance, he has very little money, and I wonder if Mr. Thompson can tell the committee whether this type of case is general across Canada, that is cases of veterans who have of necessity to live outside the country for health reasons.

Mr. THOMPSON: I cannot quote you any statistics on that point, because we have not got any. But certainly there is not a month goes by when we do not get one or two letters from men with Canadian service who are now residing in the United States, men who have reached the age of retirement, and sometimes they do not come within the provisions of the social security program in the United States. They write to see whether there is some Canadian counterpart to the United States non-service connected disability pension. I can remember a few cases in recent months, including a case of a man in Arizona who had gone there because of chest trouble. Most of our inquiries come from the United States. These men are no longer employable, and in some cases their families have grown up there. If they came back to Canada it would inflict almost more hardship upon them than if they were to stay in the United States and try to eke out an existence, possibly with the help of the children, on such small incomes as they can get.

Mr. CARTER: I would like to go back to this question of supplementary assistance on page 3. When a veteran applies for this supplementary assistance, an investigation has to be carried out and what I would like to know is this: what is the practice in awarding that assistance? Does it date from the date of the board's decision, or is it made retroactive from the date of the first application?

Mr. BENNETT (*Grey North*): It is retroactive, Mr. Chairman. The veteran is not prejudiced because of delay in processing the application.

Mr. HENDERSON: I was going to follow on, Mr. Thompson, and ask a further question about veterans who are now living outside of Canada. Is it not true that some of these veterans in special cases do get assistance as far as medical services are concerned?

Mr. THOMPSON: There is no provision except for the man who has a disability pension. The department takes care of the disability pensioner, and that applies in any part of the world, through reciprocal arrangements which have been made with other countries. That does not apply to what is referred to as class 13 under the Veterans Treatment regulations. This regulation does not apply to the man living outside Canada.

Mr. PHILPOTT: With reference to the point raised on page 5 about the extra permissible income. I wonder if I can check this point with the Legion officers—are they sure they are taking all possible steps to publicize just what is possible in the way of permissible extra income, because I know that at least

some of the branches are not clear about the extra ways in which veterans can make additional money. I have had to point out only in the past 24 hours that under the regulations which went out last year there is a "ceiling" in one category of \$50 a month, but there are four other categories of odd jobs and jobs on race tracks, and that sort of thing, on which there are no "ceilings" whatever. Are the Legion officers sure they are publicizing this sort of information and distributing it to their branches?

Dean J. O. ANDERSON: We certainly do our best, but we do not perhaps have the opportunity of contacting all the veterans in the country, whom we would like to contact. We let them know about these things as widely as we can through our publications. Otherwise, we have discovered that no matter what good news we have to disseminate there is always somebody who never hears it.

Mr. GILLIS: I would like Mr. Thompson to clarify something for me in respect to a supplementary question which he was asked. Are you arguing that the "ceiling" should be stepped up to \$120 a month, and the assistance fund completely abolished? That is what I would gather from your arguments, and there is merit in it from the standpoint of administration.

Dean J. O. ANDERSON: In this connection, sir, our submission is that the rate should be \$120. Our reaction in so far as the fund is concerned, is that it would be a good thing to continue the assistance fund for those who have no other income.

Mr. HAHN: Referring to these war veterans residing outside Canada, I was wondering, referring more specifically to those who are ill and disabled from causes other than war causes, whether it would apply to them also.

Dean J. O. ANDERSON: It would have to be all those who qualify.

The CHAIRMAN: Would you apply it to everybody down there who can qualify, or only to those who have to live there on account of health?

Mr. D. M. THOMPSON: We have not brought in any reference to health. We feel that since they served in the Canadian forces, their service is no less valuable now they are living outside of Canada, and we are asking that they should have the same entitlement as if they lived in this country.

Mr. HAHN: My reference to the question of health was made for the reason that you yourself have been dealing with that.

The WITNESS: I referred to that aspect of the question because I was asked if we knew of many cases.

Mr. GOODE: Are you asking the committee to approve that any veteran who now lives in Canada and draws a war veterans allowance, should be permitted to go and live in the United States, willy-nilly. For example, if John Smith, who lives in Vancouver, wants to live in California, are you asking that he should be paid a war veterans allowance regardless of his health?

The WITNESS: That is not dealt with in our brief, but I would say that I cannot see why it should not be logical.

Mr. HANNA: What is the policy of the department with regard to counselling or advising veterans as to their rights regarding the assistance fund, and their ability to earn a supplementary income? When a veteran is in receipt of a war veterans allowance, what is the attitude of the department toward counselling him about further assistance which may be available to him?

The CHAIRMAN: You are asking a question of the Legion?

Mr. HANNA: Not necessarily. I should like to know the department's policy because I think it has a bearing on this point. We have found out, Mr. Chairman, that the Legion counsels these veterans. However, there might be cases that have not come to the attention of the Legion but have come to

the attention of the department. I was wondering what the departmental policy is with regard to counselling veterans as to their rights with respect to the assistance fund and also with regard to casual earnings.

Hon. Mr. LAPOINTE: May I answer this point?

The CHAIRMAN: Yes.

Hon. Mr. LAPOINTE: From my knowledge of the matter, the district office, under whom the administration has been decentralized for some years now, has made every recipient aware of his rights under the Act as it exists. Our welfare people keep in touch with these recipients, and they are advised of the possibility of having their allowance supplement through the assistance fund. In some cases, in fact—and this brings up a point which was mentioned by Mr. Thompson—there is no need for a further application or the application of a second means test, because when the recipient makes his application for war veterans allowance and his case is fully investigated, it is found out at that time from the information gathered that, not only does he qualify for war veterans allowance but that his case meets the formula under which the assistance fund is administered. He is granted the allowance, plus the supplement through the assistance fund, so to speak, through one procedure. But every one of these recipients is told by the officers of the department and by our welfare people of the possibility of qualifying for assistance under the fund or of the type of earnings which he can make through casual earnings and through section 4. So at this stage I do not believe that there can be any question of the recipients not being informed of the existence of the fund.

By Mr. Enfield:

Q. Mr. Chairman, I do not know whether this question has been indirectly answered, but can the Reverend Mr. Anderson say what the Legion's experience has been with the new regulations regarding casual earnings? Quite a change was made last year. I should be interested to know how you have found the department's attitude in respect to these casual earnings. While we are on that point, can the Legion say how many veterans who are fully employed are earning less than \$2,000 a year and hence would be affected by their recommendation and the increase in the permissive ceilings? Do they have any idea of the number of veterans who would be affected? I think that would be a nice point to know.

Dean J. O. ANDERSON: If I might just answer the first part first: certainly, from our experience, the new regulations on casual earnings have been very helpful indeed, have been very liberally applied and have met a real need. The same applies to section 4, although very few have, I think, qualified under section 4. We have no idea, nor have we any way of finding out how many would qualify, other than the people who apply to us for guidance or help in making their applications under the permissive ceiling. I imagine that the department would have a better idea of that than we have. We know only that the need does exist.

Q. You cannot say what proportion of applicants who are fully employed are turned down because of the permissive ceiling?—A. We do not know how many were turned down.

Mr. MACDOUGALL: We had a question by the hon. member for Kootenay West relative to the comment on page seven of the brief about war veterans allowances. Recipients of war veterans allowances might be desirous of going to the United States in the winter, where it is a little sunnier than in portions of Canada. I hope that that action might be taken, for those cases that are definitely in need of that type of sunshine treatment. Some investigation could be made, not only by the government but also, I think, for the protection of various branches of the Legion, or you might find rather widespread abuse.

Would it not be a good idea, in the event that that was adopted, that the district officers pass upon the need for the egress of a particular veteran from Canada to the United States? If that were made possible, you would then, I think, be able to separate the sheep from the goats in deciding in cases of veterans who would like to transfer for a period of time into the warmer and drier climes of certain states of the United States. As a wide-open proposition, I am not too sure that it would work successfully, either for the Legion or for the administration of the D.V.A.; but if some safeguard along the lines that I have suggested were adopted, I would personally be quite happy to see this additional provision made.

The CHAIRMAN: I understand that the Legion's representations are that it should apply to everyone, and I take it that they do not want to be drawn into that suggested limitation.

The WITNESS: We cannot very well differentiate. If the department did, of course, that would be their concern. We bring forward the views that our organization has passed at conventions.

Mr. PEARKES: I was very interested to read what you have to say towards the end of page 5 in your presentation. It reads:

Section 4 and the provisions governing casual earnings also recognize the desirability of self-help, but this recognition is not extended to those who by forethought and thrift have gained for themselves small pensions or retirement annuities.

If I understand the regulations correctly, a man who is capable of working and earning by casual work may augment his allowance by \$50 a month, but a person who is unable to work and who by this very thrift and forethought which you have mentioned has saved up a little income, he is limited to only \$10 a month over and above his allowance. I would ask whether you have had any experience with regard to veterans who are not eligible to come under the War Veterans Allowance Act because the amount that they have saved in what is termed under the Act liquid assets exceeds \$1,000 for a single man or \$2,000 for a married man. I did make the suggestion, when this bill was being debated, that possibly there might be a change made in connection with these liquid assets in order to place them under the same principle which applies to the Old Age Assistance Act, whereby these liquid assets are assessed on an annuity basis, and the income arising from the annuity would be deducted from the monthly allowance.

I wondered whether any representations along that line, or any considerations had been given by the Legion to that particular point, and whether you had any suggestions as to how greater recognition might be given those who by their forethought and thrift had already saved up a little pension and retirement annuity. Could you elaborate on what you thought should be done in order to implement that point?

Dean J. O. ANDERSON: Thank you, General Pearkes. I would say offhand that you have a very handy yardstick in the \$50 allowed in casual earnings.

Q. Does that mean that you would allow a person to have an income from bonds up to \$50 per month?—A. Yes.

Q. Is that the recommendation?—A. I would hardly put it in the class of a recommendation. My immediate thought suggests that you have a handy yardstick to use and one of course which has been applied in the case of casual earnings.

The CHAIRMAN: Now, Mr. Quelch.

By Mr. Quelch:

Q. Mr. Chairman, the bill provides, in section 4, for "a female veteran or widow". What has the experience of the Legion been in regard to the operation of section 4? Suppose a veteran comes under the monthly ceiling, and suppose his income goes up and his allowance stops during that time. Now, suppose he stops working. Once more his income would be dependent on the allowance. Have you found there was any undue delay in the restoration of the allowance, or have you found that within the succeeding month the allowance is paid?

Mr. THOMPSON: We have not had any specific cases of complaint bearing on that question. We know of very few veterans who have availed themselves of section 4. We made a point in 1952 when this was brought out, of giving publicity to it. In that respect the department was very cooperative in providing material and a sample outline of how section 4 would operate. We have tried to point out that there are certain advantages to the men who can qualify for section 4. There are not very many who can qualify, because of the type of employment available to these veterans. We have not received any complaints at our headquarters of any delay in their getting back on the allowance.

The CHAIRMAN: Mr. Philpott.

By Mr. Philpott:

Q. Could the Legion indicate the number of men who would be affected by section 6, who are veterans of World War I? Have you made any survey of distress among these people? In many cases they are pretty old by now. In many cases they were anxious to go to France, and probably rendered better service in England. But there must be distress in a certain proportion among them, just as there is among the burned-out veterans.

Mr. THOMPSON: No. But the department would probably have a record of the figures. As far as this is concerned, I think it would be proportionate to the picture of those veterans who are eligible for veterans allowance.

The CHAIRMAN: Could the deputy minister give the committee the number of people who would be affected by the suggestion that the veterans of the first world war who served only in England, be permitted to receive the war veterans allowance?

Mr. GARNEAU: I believe there would be about 11,400, Mr. Chairman.

The CHAIRMAN: That is the total number of veterans who could apply?

Mr. GARNEAU: That is the total number of veterans who could apply. The probable number living is about 52,000 and we figure with the average payment to those veterans that approximately about 11,400 or 11,500 would probably come under the Act.

The CHAIRMAN: Mr. Quelch.

By Mr. Quelch:

Q. Have you any idea how many of those would be totally disabled?

Mr. GARNEAU: This is only an off the cuff guess, but if we took as a yardstick the age of other recipients on account of age and disabilities, it might be 45 to 55 or 50-50, and possibly more as they are in an older age group.

The CHAIRMAN: Mr. Pearkes.

By Mr. Pearkes:

Q. Are there any records to show the year of arrival in England? There would appear to be some difference between the men who arrived in 1914 or 1915 and the men who arrived in 1919.

Hon. Mr. LAPOINTE: No, we would have to look up the individual files for that.

The CHAIRMAN: Mr. Green.

Mr. GREEN: Would that figure given by Colonel Garneau include widows?

Mr. GARNEAU: No, just the veterans.

The CHAIRMAN: I suppose, Colonel Garneau, you have made a study—and I think the committee would be interested in having it if you are able to give it—based upon the average amount of war veterans' allowance which is paid to people in the same age group, what this would likely cost if this were extended to all veterans who saw service only in England.

Mr. G. L. LALONDE (Acting Deputy Minister): We have taken the number of veterans who served in England only during World War I, and we have applied to that figure the percentage of those who are receiving war veterans allowance, and who were in a theatre of actual war. By transposing that figure to the number of those who served in England only, we estimate that about 11,500 of those would probably become recipients under the Act.

If you take that figure as a basis and you multiply it by the average payment made to present recipients, that gives us the estimated cost of adding to the number of recipients those who served in England in World War I.

The CHAIRMAN: What is the figure?

Mr. LALONDE: It amounts to \$9,650,000 per year, and that is based on the rates of allowance included in the bill.

Mr. PEARKES: Would it be possible to get those figures by years of arrival in England? I think there is a lot of difference between the men who went through all the hardships of Salisbury Plains in 1915 and the men who arrived in England at the end of 1918.

Hon. Mr. LAPOINTE: The only way those figures could be obtained would be by an examination of each individual file. As the deputy minister has explained, our estimates are based on the average of our experience with regard to these actual recipients. So we would have to look up each individual file to ascertain the date of arrival in England.

Mr. PHILPOTT: We have been using that figure of \$50 a month. I think it is unfortunate, but we keep on using it. When I was congratulating the Legion on the brief before on the point about the minor children, I wonder if they noticed what seems to me to be a small error at the end of page 6 in which they say:

In some cases the veteran in this category is at present trying to support a wife and several small children on \$90 per month.

And under the terms of Bill 164 he would receive \$108. In addition to that, if they have small children they would also be drawing family allowance and I think we should be clear on this if we are trying to get this past the treasury.

Mr. HARKNESS: Mr. Chairman, I wonder if the Legion officers, or its president, could tell us why they have made a recommendation on permissible income of \$1,200 and \$2,000 for single and married rather than on the income tax level of \$1,000 and \$2,000?

Dean J. O. ANDERSON: I presume, sir, the reason for the figure of \$1,200 would be that it is \$100 a month. This subject has been discussed by us, as indeed by you gentlemen, for some years now and I believe the origin of some of these things happened before I came into the picture.

Mr. THOMPSON: We arrived at those figures as a result of a committee of council which studied a number of reports on living costs across the country combined a number of resolutions from Legion branches. They arrived at

these rates and ceilings as a sound basis, bearing in mind the figures that were available of living costs. On a consensus of opinion, as reflected in resolutions throughout the country, those rates and ceilings were put forward by the Dominion Executive Council prior to a Dominion Convention. The Dominion Convention ratified those amounts and they have continued to be the amounts recommended by the Legion.

Mr. HARKNESS: You would say it is basically as a result of a study of living costs?

Mr. THOMPSON: That is right.

Mr. HAHN: According to your argument the war veterans allowance for a single man if \$60 would be only \$100 for a married man if your ratio is 6 to 10.

Mr. THOMPSON: I think when you get down to basic amounts it is not true that a married couple can always live more cheaply than two single people. This applies when you deal in irreducible minimums. When you get above the minimums there is a bit of leaway, and I believe that was the thinking of the committee in arriving at the figures of \$1,200 and \$2,000.

Mr. HAHN: I quite agree with you. I have used the same argument in the House in asking for it. But, by the ratio you have proposed in your request you have it two to one and in your argument now as to the income tax level it would work out to \$60 a month and \$100 a month instead of \$120 as you propose. I was wondering why the difference exists?

Mr. THOMPSON: I think those amounts were arrived at without consideration of income tax. It was as a result of living costs and the thinking of the Legion. I think the income tax, as you suggest, provide exemptions of \$1,000 and \$2,000, but we thought those ceilings of \$1,200 and \$2,000 were a reasonable level and if people had that much income and that much leaway they could live with some degree of decency which we did not feel was possible on less money. There may appear to be an inconsistency, but it is because of the different sources which the committee used to arrive at their figures. It so happens that \$1,000 and \$2,000 are in the Income Tax Act.

The CHAIRMAN: Any further questions on the brief?

Mr. GREEN: Are there any figures on the numbers of widows of allied ex-servicemen who would be eligible if the recommended change were made?

Hon. H. LAPOINTE: I think we could get estimates on that.

The CHAIRMAN: Are there any other questions?

Mr. QUELCH: As a result of the operation of the ceiling I wonder what the legion's experience has been as regards overpayment?

Mr. THOMPSON: We have found that the War Veterans Allowance Board has been pretty reasonable on the whole on the way that they have recovered the overpayments.

Mr. QUELCH: I know in the early days they deducted the whole amount but I think the practice has been discontinued and put down to a small recovery. Is that the case?

Mr. THOMPSON: I can only answer from our experience at dominion command, and we have found the War Veterans Allowance Board very reasonable when all the circumstances of a case were brought to their attention. We have not found the War Veterans Allowance Board hard to deal with when it came to the question of trying to recover overpayments.

The CHAIRMAN: Gentlemen, on your behalf I would like to thank the Very Reverend Dean Anderson for a very fine brief which he has presented and the very fine way in which he and Mr. Thompson have answered our questions. I think we can assure them that if we receive any further reference from the

House, as I expect we will, we will be very glad to hear from them if they wish to make any further representations in regard to such further reference.

We are always very glad to meet the Legion officials. It is one of the pleasant aspects of serving on this committee that it brings us into contact with the people who are doing so much for our comrades of previous wars.

Dean J. O. ANDERSON: Thank you very much, Mr. Chairman. Again I would like to express our appreciation for the privilege of coming, and to say we are at your disposal if we can be of assistance in any way at all.

The CHAIRMAN: Gentlemen, we are having the representatives of the National Council of Veterans Associations appear before us on Monday at 10.30 in this room. If the steering committee are willing to wait for a couple of minutes we might then arrange the meetings for the rest of the week. The meeting is now adjourned until Monday at 10.30.

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Canada, Veterans Affairs
Special Committee on 11955-
(HOUSE OF COMMONS

Second Session—Twenty-second Parliament
1955

(SPECIAL COMMITTEE

ON

VETERANS AFFAIRS

Chairman: W. A. TUCKER, Esq.)

MINUTES OF PROCEEDINGS AND EVIDENCE
No. 2

BILL 164

An Act to amend the War Veterans Allowance Act, 1952.

MONDAY, MARCH 14, 1955

WITNESSES:

Major A. J. Wickens, President, and Mr. J. P. Nevins, Secretary, of the
Army, Navy and Air Force Veterans in Canada;
Mr. K. E. Butler, War Amputations of Canada;
Mr. Fred Woodcock, Sir Arthur Pearson, Association of War Blinded;
Mr. A. E. Lanning, Canadian Corps Association;
Mr. A. T. Pollock, War Pensioners of Canada;
Mr. J. A. L. Robichaud, Canadian Paraplegic Association.

EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1955.



SPECIAL COMMITTEE

ON

VETERANS AFFAIRS

Chairman: W. A. TUCKER, Esq.,

and Messrs.

Balcom	Forgie	Murphy (<i>Westmorland</i>)
Bennett (<i>Grey North</i>)	Gauthier (<i>Portneuf</i>)	Pearkes
Brooks	Gillis	Philpott
Cardin	Goode	Quelch
Carter	Green	Roberge
Cavers	Hahn	Tucker
Croll	Hanna	Weaver
Dickey	Harkness	Weselak
Dinsdale	Henderson	White (<i>Hastings-</i> <i>Frontenac</i>)
Enfield	Jones	
	MacDougall	

R. J. GRATRIX,
Clerk of the Committee.

MINUTES OF PROCEEDINGS

MONDAY, March 14, 1955.

The Special Committee on Veterans Affairs met at 10.30 o'clock a.m. this day. Mr. Walter A. Tucker, Chairman, presided.

Members present: Messrs. Balcom, Bennett (*Grey North*), Brooks, Cardin, Carter, Cavers, Croll, Dinsdale, Enfield, Gauthier (*Portneuf*), Gillis, Goode, Green, Hahn, Harkness, Henderson, Herridge, Jones, MacDougall, Pearkes, Philpott, Quelch, Roberge, Weaver and Weselak.

In attendance: The Honourable Hugues Lapointe, Minister of Veterans Affairs, and the following departmental officials: Mr. G. L. Lalonde, Acting Deputy Minister; Mr. G. H. Parliament, Director General of Welfare Services; Mr. J. L. Melville, Chairman of the Canadian Pension Commission; Colonel F. J. G. Garneau, Chairman, War Veterans Allowance Board; Mr. F. L. Barrow, Secretary; Mr. W. Gordon Gunn, Q.C., Director of Legal Services; Mr. E. J. Rider, Research Adviser, and Mr. C. N. Knight, Director, Social Services Division. Mr. T. D. Anderson, Dominion Secretary and Mr. D. M. Thompson, Director of Service Bureau of the Canadian Legion, B.E.S.L., and Mr. J. B. Bowler, C.B.E., Ministry Representative of the British Ministry of Pensions.

Also the following representatives of the National Council of Veteran Associations in Canada: Major A. J. Wickens, President, and Mr. J. P. Nevins, Secretary, of the Army, Navy and Air Force Veterans in Canada; Messrs. K. E. Butler, A. J. Parsons, A. Bell and A. Piper, of the War Amputations of Canada; Messrs. F. Woodcock, W. Mayne, D. Ferguson and W. Dies, of Sir Arthur Pearson Association of War Blind; Mr. A. E. Lanning of the Canadian Corps Association; Mr. A. T. Pollock of the War Pensioners of Canada, and Mr. J. A. L. Robichaud, of the Canadian Paraplegic Association.

The Committee resumed consideration of Bill No. 164, An Act to amend the War Veterans Allowance Act, 1952.

The Chairman presented the First Report of the Sub-committee on Agenda and Procedure as follows:

Your Sub-committee met at 4.15 o'clock p.m. Friday, March 11th, with the following members present: Messrs. Bennett, Brooks, Green, Quelch and Tucker, and agreed to recommend:

- (a) That the Committee hear the Non-Pensioned Veterans' Widows Association on Tuesday, March 15th at 3.30 o'clock p.m.,
- (b) That the Committee hear departmental officials and proceed with a clause by clause consideration of Bill No. 164 on Monday, March 21st at 10.30 o'clock a.m.,
- (c) That the Chairman be authorized to order the printing of such additional copies, of the day to day Minutes of Proceedings and Evidence, over and above the numbers already approved by the Committee on March 9th as he may deem necessary.

All of which is respectfully submitted.

On motion of Mr. Croll, the said report was adopted.

The Minister of Veterans Affairs welcomed the delegation from the National Council of Veteran Associations in Canada.

Major Wickens was called and introduced the members of his delegation.

Mr. Nevins was called and read the Council's written submission.

Major Wickens then made a statement in support of the Council's submission, was questioned thereon and retired.

Mr. Butler, on behalf of War Amputations of Canada, Mr. Woodcock, on behalf of Sir Arthur Pearson Association of War Blinded, Mr. Lanning, on behalf of the Canadian Corps Association, Mr. Pollock, on behalf of War Pensioners of Canada, and Mr. Robichaud, on behalf of Canadian Paraplegic Association, were called and made statements in support of the Council's submission, and were retired.

Mr. J. B. Bowler, C.B.E., Ministry Representative of the British Ministry of Pensions, answered a question specifically referred to him on the benefits received by Canadian Veterans residing in the United Kingdom.

The Honourable Mr. Lapointe and Mr. Garneau answered questions specifically referred to them.

The Chairman expressed the regrets of the Committee that Colonel E. A. Baker, Chairman of the National Council of Veteran Associations in Canada, was unable to be present and thanked the members of the delegation for their submissions.

At 12.40 o'clock p.m., the Committee adjourned to meet again at 3.30 o'clock p.m., Tuesday, March 15.

R. J. GRATRIX,
Clerk of the Committee.

EVIDENCE

MONDAY, March 14, 1955.

10.30 A.M.

The CHAIRMAN: If the committee will come to order, the first item of business is the report of the subcommittee:

Your subcommittee met at 4.15 o'clock p.m. Friday, March 11, with the following members present: Messrs. Bennett, Brooks, Green, Quelch and Tucker, and agreed to recommend:

- (a) That the committee head the Non-Pensioned Veterans' Widows Association on Tuesday, March 15 at 3.30 o'clock p.m.,
- (b) That the committee hear departmental officials and proceed with a clause by clause consideration of Bill No. 164 on Monday, March 21 at 10.30 o'clock a.m.,
- (c) That the chairman be authorized to order the printing of such additional copies, of the day to day minutes of proceedings and evidence, over and above the numbers already approved by the committee on March 9, as he may deem necessary.

All of which is respectfully submitted.

(sgd) Walter A. Tucker,

Chairman.

Mr. CROLL: I move the adoption of the report.

Carried.

We have with us this morning the National Council of Veteran Associations in Canada. I will call on the Hon. Mr. Lapointe to extend a word of welcome to them.

Hon. HUGUES LAPOINTE (*Minister of Veterans Affairs*): Mr. Chairman, it is a pleasure indeed again this year before this committee to welcome the delegates from the National Council of Veteran Associations. The association, as you know, is made up of various autonomous bodies of veterans organizations: The Canadian Corps Association, The Canadian Paraplegics, The War Blind, The War Amputees and The War Pensioners of Canada. This means that the association is a very representative group of ex-servicemen throughout this country. I understand, from the constitution of the association, that such representations as are made by the national council before this committee or before the government, are only those which have met with unanimous approval by all the members of the association. This does not, of course, preclude those various associations from making representations on their own when they feel like it.

On your behalf, Mr. Chairman, and on behalf of the members of the committee it gives me great pleasure to welcome the delegation of the National Council of Veteran Associations in Canada and, in the absence of Colonel Baker, the president of the Council, who was unable to attend today, I would ask Mr. Wickens, who is the president of the Army, Navy and Air Force Veterans in Canada, to introduce the delegation to the committee.

Mr. A. J. Wickens, President, Army, Navy and Air Force Veterans in Canada, called:

Mr. Chairman, Mr. Minister, and members of the committee, first on behalf of my fellow delegates and myself I wish to thank you for your kind words of welcome and I wish to say that it is always the same; when we have the honour to attend before a committee of the House of Commons on veterans affairs we are invariably welcomed in the same warm-hearted way.

On behalf of Colonel Baker I must explain that he has another appointment today dealing with public welfare work in the city of Toronto which he was unable to have postponed, and on behalf of His Honour Judge McDonagh of Toronto who also is committed to public welfare work on an appointment which he was unable to adjourn.

The usual procedure has been, as you gentlemen will know, for Eddie Baker to present the brief prepared by his chairman. With your leave, Mr. Chairman, I will introduce the members of the delegation: first of all, from the Sir Arthur Pearson Association of War Blinded, Bill Mayne, Dave Ferguson, Fred Woodcock, Bill Dies; from the Canadian Corps Association, Bert Lanning; from the Army, Navy and Air Force Veterans in Canada, myself and Mr. J. H. Nevins, who is the secretary of the Army, Navy and Air Force Veterans in Canada and also the secretary of the National Council of Veteran Associations; War Pensioners of Canada, A. T. Pollock; War Amputations of Canada, A. J. Parsons, K. E. Butler, A. Bell, A. Piper; and from the Canadian Paraplegic Association our comrade in the wheelchair, Comrade J. A. L. Bobichaud.

We have decided, with your leave Mr. Chairman, to ask the secretary of the national council, on behalf of the delegates, to read our brief following which I would like to say a few words and then to call on the representatives of the various associations.

Mr. J. H. NEVINS: Mr. Minister and Mr. Chairman, and gentlemen,

This submission is made on behalf of the National Council of Veteran Associations representing the following organizations:—

	<i>Organized</i>
Army, Navy & Air Force Veterans in Canada	1840
Canadian Corps Association	1934
Canadian Paraplegic Association	1945
Sir Arthur Pearson Association of War Blinded	1917
The War Amputations of Canada	1920
The War Pensioners of Canada	1922

We are grateful for the privilege which has been accorded us to present recommendations and comment in respect to the revision of the War Veterans Allowance Act of 1952 and the Veterans Benefit Act of 1954. While regretting the limitations of the order of reference, we trust that you will permit us at this time to present for purposes of record and attention at the earliest possible date, proposals affecting the Canadian Pensions Act and treatment regulations.

Reference Bill 164:—An Act to amend the War Veterans Allowance Act, 1952.

Recommendation No. 1:

That the existing war veterans allowance rate for the single man be increased to at least \$60 per month and the married man's rate be increased to \$120 per month.

Comment:

For some years it has been obvious that recipients of war veterans allowance have been labouring under a serious difficulty because of the inadequacy of the amounts provided. We realize that our recommendation may in part be in excess of the provisions proposed. We are simply endeavouring to be realistic in assessing the needs, especially of the individual who is, because of age and/or incapacities, incapable of supplementing income through even casual earnings to any appreciable extent. These are the hardship cases for whom we bespeak your earnest consideration.

Recommendation No. 2:

That the total annual allowable income including war veterans allowance permitted under the War Veterans Allowance Act be the amount set as statutory exemptions under the Income Tax Act, subject to supplementation of \$200 in the case of the single man.

Comment:

We note with concern the means test limitations proposed by this bill for the single man is \$840 per annum. This would permit only \$120 per year or \$10 per month through income from earnings or other sources. We consider that the means test for the single man should be at least set at the level of \$1,200 which would permit \$480 of supplementation.

In the case of the married man who must maintain a home, however modest, we consider that it should be advanced proportionately and suggest again the statutory exemption in respect to income tax, namely \$2,000.

Recommendation No. 3:

That the recipients of war veterans allowance, upon qualifying for old age security, should receive the old age security, without reductions in the W.V.A., except insofar as the total income exceeds the total allowable income under the W.V.A. Act.

Comment:

Increasing age is generally attended by gradual reducing possibilities of supplementing allowance through casual earning. Therefore, the aging recipient of war veterans allowance who may have been able through his efforts to supplement and enjoy a few comforts will under the proposed provisions of this Act be reduced to the subsistence level of the war veterans allowance recipient who has never been able to supplement. The individual who has never been able to supplement has undoubtedly suffered hardships to which he may have become more or less reconciled. The individual who is forced to reduce his living standard by reason of age and more completely disabling physical capacities, experiences discouragement amounting to tragedy. It would seem only humane to permit the W.V.A. recipient to enjoy the old age security allowance, coupled with sufficient war veterans allowance to the total of permissible income from all sources.

VETERANS BENEFIT ACT, 1954:*Comment:*

We heartily support the humanitarian administration of this Act to the end that those who have suffered and are dependants may be benefited notwithstanding restrictions actual or implied heretofore. The more generous intent of the amendment is greatly appreciated.

TREATMENT:

Recommendation No. 1:

THAT war disability compensation cases in classes one to eleven be afforded treatment without charge by the Department of Veterans Affairs for non-entitlement conditions.

Comment:

We have been in agreement and have made representations on previous occasions, notably in 1954, that the war disabled in classes one to eleven should be given treatment without charge for conditions which have been ruled as not related to service. Falling within this category are conditions that in the mind of the individual concerned and/or his relatives, friends and even medical consultants are considered to be directly or indirectly related to disabilities for which he has entitlement or to conditions under which he served. In addition, there are conditions for which the individual and his medical consultant are of the opinion that a strong relationship obtains because of the strain of wearing an artificial appliance or of treatments required for the condition for which he has entitlement. A serious disability of any type imposes strain on the physical, nervous and even the mental condition of the individual concerned. We appreciate the fact that the War Veterans Allowance recipients are automatically accorded free treatment at any time for any condition. We applauded these provisions as being essential and humane. We have tried to rationalize the position of the seriously disabled who because of war disability compensation and income from any other source are substantially barred from free treatment for any condition that has not been ascribed to service. We believe that while we applaud the improved hospital standards and the efforts of the medical services to adjust and insofar as possible to meet the needs of the seriously disabled, we are forced to realize the existing limitations. We urge, therefore, that consideration be given at the earliest opportunity. In 1954, we suggested that if no other satisfactory means be found of meeting this problem that the government of Canada should look into the matter of establishing a medical service and hospitalization policy under a contributing plan through which the veteran might authorize deductions from whatever pension he may be in receipt of to meet the premiums.

Recommendation No. 2:

THAT the practice of deducting \$15 per month from the allowance payable to a disability pensioner, when he goes into a Department of Veterans Affairs hospital for treatment of a disability which has occurred as a result of active service, be eliminated. This Council on previous occasions, notably in 1954, has continued advocating this policy and are still of the same opinion.

Comment:

We are certain that the disability pensioner was not charged \$15 per month while being treated in dressing stations or in general hospitals before being discharged. It is our opinion that the people of Canada are not aware that their disabled veterans are being charged this \$15 a month for treatment of disabilities incurred on active service. We are further of opinion that there is no provision in the Canadian Pension Act which would provide for said deduction, and that any such regulation passed under the provisions of the Department of Veterans Affairs Act is inconsistent with the intent of the provisions of the said Act and is repugnant to the principle of all veterans' legislation com-

monly referred to as the Veterans' Charter. Any regulations, in our opinion, which may have been made to cover this deduction have in fact no authority in the Act and the money deducted from the veterans mentioned has been wrongfully charged.

Conclusion:

We deeply appreciate the consideration being given by veteran members of the House of Commons to veteran provisions intended to meet the needs and relieve problems of ex-servicemen whose disabilities are directly due to or in some degree related to war service. We are grateful to the Minister and the Department of Veterans Affairs, including treatment administration to which they have exercised a humanitarian attitude in the administration of provisions enacted. We wish to assure you that from our intimate associations with the many ex-servicemen who have problems, we are anxious to co-operate with you and the department in developing a thorough appreciation of the problems involved and in making recommendations where we think improvement could be effected advantageously.

We appreciate your considerate attention.

The WITNESS: With your leave, Mr. Chairman, I should like to make a few remarks, now that the brief has been read. Firstly, I think that we should realize, gentlemen, the fact that the administration of the War Veterans Allowances Act, more particularly in recent years, has changed to such an extent that we now have to regard it as a war disability pension. We have to recognize the fact that, in granting these allowances and in administering the Act, the underlying principle which has been conceded in order to approach the question has been the fact that these unfortunate men, who through war service are no longer able to maintain themselves, have suffered some unidentifiable disability due to that war service.

I think that position is unassailable and from that position certain conclusions must be properly drawn, the first of which is that undoubtedly such men are entitled to receive the most kindly and benevolent consideration of their problems and be given, as they have the right to be given, sufficient income to maintain themselves in accordance with the standards of decency and respect which were theirs when they were fighting for us. That is the burden of our brief and of our presentation here today, and from that position will stem several matters which I wish to mention to you. But before going into these matters I want to make these observations.

Unless I am mistaken in my recollection of budgetary figures, our annual budget for defence purposes runs into billions of dollars. I notice that when our friendly competitor and collaborator the Canadian Legion made its presentation, some information was asked from them as to what they felt the recommendations they made would cost. Frankly, it is useless asking me any such questions because I do not believe in guessing at things and any attempt of mine to answer such questions would be unsuccessful for the simple reason that I have not got this information, nor have I any means of getting it, or obtaining access to information upon which I could base my replies. But I do make this submission: that no matter what it would cost, within the bounds of reason, we could not say to our veterans: "We know how to fight for our freedom and privileges, but having fought for them, we are going to count our pennies to find out whether you can share in the benefits for which you made the sacrifices." And if we are going to count the cost too seriously we are bound to accept ourselves as being in that position, and I do not think there is a man in this room, or a man or woman in Canada, who would support such an attitude. Therefore I feel that while it is the responsibility of the government of the day and the House of Commons on all sides to consider the burden

on the taxpayers of Canada, I do not think that that should be the supreme consideration here, particularly in view of the fact that we find it necessary now—and I agree wholeheartedly with this policy—to put ourselves in a state of preparedness to defend ourselves against any future aggression at the cost of billions of dollars a year. I think it would be a shameful thing if we were to say, for the sake of a few million dollars, that these men were to be obliged to work out the remainder of their lives in misery and poverty when at the same time, in order to engage in activities which would reproduce their kind, we can spend billions without any hesitation.

Our main submission today is on two things—the amount of war veterans allowances and the “ceiling” on earnings. I see that the Act provides for the single man’s allowance to be the same amount as our brief recommends, and that is a very gratifying thing.

I do feel, as our brief says, that it costs a war veterans allowance recipient just as much to maintain a wife as it does to maintain himself, and we feel that a wife of one of these veterans is entitled to live at the same standard as her husband is, and we do not feel that because a man has taken unto himself a wife, as he is entitled to, that he should either require the wife to live at two-thirds of the standard he is authorized to live at, or that he should average his income out, and thus reduce his own standard. I do not think there is much more which can be said about that. It is fairly evident that the cost of maintaining a war veterans allowance recipient’s wife should at least be fixed at an equal level. If that is accepted the total for a married couple would be \$120 a month, and if any gentleman in this room can show me how my wife and I can live in decency and moderate comfort on that sum, I would be very grateful to him for dealing with the question, because that information would be invaluable.

Mr. BROOKS: May we ask questions before the witness leaves one subject and goes on to another?

The CHAIRMAN: No, I think we had better wait until he is through, and then take the submissions up item by item.

The WITNESS: In the main, questions will be answered by representatives of the various groups who have made a special study in that particular field, and if there are any general questions and I can answer them, I will.

I want first of all to say that on behalf of my association and of the National Council of Veterans, we deeply appreciate the approach which has been made to the matter of accountable income by the board and the Department of Veterans Affairs. We note with great appreciation and interest the directives which from time to time have been issued as to what will be, and will not be regarded as casual earnings, and it could be that the present proposed “ceiling” in the Act which, as I read it, is \$120 per year for a single man and double that for a married man above his war veterans allowance, would meet the case under the provisions of the Act, and in this directive about casual earnings that “ceiling” would seem to be not too low. But there is a group of war veterans allowance recipients who are not able, perhaps for one of a number of reasons—the area in which they live, or the nature of their disability—to take advantage of those provisions. Such men, I think, are limited to their \$60 a month and the additional \$120 a year, which is totally insufficient to maintain them in anything approaching decent conditions, apart from any question of their being able to participate in the good things of life which, as we all know, because in this room we are all of us veterans, are among the things for which we offered our services, and which all of us should have the right to enjoy.

We believe that the reasonable and sensible income “ceiling” for the recipients of the war veterans allowance is the income tax exemption estab-

lished under the Income Tax Act. Surely if a vigorous, healthy civilian is entitled to have an exemption of \$1,000 in order that he may live a normal and decent life, the man with a disability which will involve him in a good deal of extra expense for medical treatment and other expenses which do not fall to the lot of the physically fit person, should be entitled to have the same exemption, and entitled to benefit to the same figure.

Our brief suggests an extra \$200 for the single man. I go along with that brief and I want to be frank, and my fellow members of the delegation may feel a little critical of my views, but I would feel quite satisfied if the government would establish as a "ceiling" the income tax exemptions. If they wish to put the extra \$200 onto the single man, I will not quarrel with them, but I do feel we could justify beyond any argument our claim that the ceiling on chargeable income to affect war veterans allowance should not be less in any event than the exemption for income tax purposes.

I want to enlarge a little on that, in this respect: I notice in our friendly rival's brief that they suggest that the children of the recipients of war veterans allowance be treated in the same way and that the war veterans' allowance recipients be given the same allowance for their children as the war disability pensioners receive for their children.

While I support that recommendation I am afraid that I cannot personally—nor can my association—support the actual content of it. We feel that our recommendation that the war veterans allowance recipients receive the same exemption in chargeable income as the taxable citizen for income tax purposes would take care of these cases.

It is true that in our brief we mention \$1,000 and \$2,000. That is because it happens to be the income tax exemption for single men and for married couples.

But if our recommendation is taken in its overall form, it means, if the war veterans allowance recipient has children, that he would receive by way of addition to the income ceiling the amount that he would be allowed, as an exemption from income tax purposes under the Income Tax Act.

If the bill were amended to agree with that well known principle, the same as income tax exemption, it would save bickerings in the future as well as innumerable amendments to the Act, because, for all time, if it was changed in the income tax, the exemption of war veterans allowance recipients would be automatically affected in the same way.

I feel that position can be justified. Why should little Johnny Jones, whose father is a recipient of the war veterans allowance, be required to live on a lower standard than Tommy Brown who lives next door and whose father—for perfectly justifiable reasons, and not to his discredit—did not serve his country at all?

We must give some recognition to the fact that war veterans allowance recipients are human beings, and do get married, and, having got married, do as married people do, have children. And we must endeavour to see that those children are entitled to live the full, rich life that we are so proud of our children being able to live in Canada.

Unless we appreciate that fact we are discriminating against them unjustly and unfairly. These are men who deserve our every sympathy and support.

I sometimes think that the man who is suffering from a non-identifiable disability is—with apologies to the very seriously injured veterans of the associations who are with me—sometimes more to be pitied than the man who is suffering even from a great injury because it is the unknown which bothers a person. The men who are blind know that they are blind and they know where their trouble is and they can compensate for it, as our comrades have. It makes us all proud of them.

But the man who has got something wrong with him which neither he nor his doctors can find needs more help for the remedying of it.

There is another point, that is in connection with the allowable income. Having started off, as I did, by contending that the war veterans allowance now be treated as a form of war disability pension, it brings up the matter of old age security.

At the present time, as I understand it, when a recipient of war veterans allowance reaches the age of 70—the few who live that long—he loses in his war veterans allowance to the extent of the old age security, which affects his allowable income.

We in the National Council of Veterans and in our own organization particularly do not feel that that is right. The disability pensioner should properly receive old age security and it should not affect his pension at all. We feel that the recipient of the war veterans allowance—if he should manage to live as long as 70—should receive it, together with all others who are 70—every citizen of Canada who is qualified to receive old age security to which he has contributed if he has been taxable during his lifetime—without it affecting his war veterans allowance.

It is a small thing to give to the disabled veteran even when his disability is not identifiable, to give him for the last few years of his life the same \$40 which everybody—from the richest man in Canada down—gets without question.

There is another question which has been raised. It has not been raised in our brief, but in other briefs, and therefore is before your committee. It is the payment of the war veterans allowance to Canadian veterans not resident in Canada.

Our council in discussing that matter informally as we did this morning, approached it with some difficulty.

We understand that wherever the veteran lives outside of Canada, he will have available to him whatever social services and other welfare assistance that is available to all residents in that country.

We do feel, however, that if a veteran has once received the war veterans allowance in Canada, or has qualified for it in Canada—although he may not yet have actually received it—that it becomes necessary for him, under competent medical advice—perhaps I should not go so far as to say “necessary”, but if it becomes desirable for him, for his health, to go and live under climatic conditions which are not available in our country—with reasonable safeguards—such as a reviewing of his medical examinations, or the medical evidence by competent departmental doctors, for instance, to afford safeguards to make sure that the facts were as alleged—if it is necessary or advisable for a man entitled to the war veterans allowance to go to a climate not available to him in Canada, then we feel, in justice to him and to our own consciences, that he should receive the same considerations under the War Veterans Allowance Act as if he remained in Canada.

I do not think that any reasonable or decent person could quarrel with that position.

There have been some recommendations that any veterans who served in Britain during World War I should receive the benefit of this legislation.

We have considered that at some length and while we are not prepared at the present time definitely to say “No. We would not support such a position”, we are not prepared at the present time to support it, for two reasons. The first is, that we believe the position we are taking now, and the things we are now recommending we can justify beyond any question; and until we have given more study and consideration to the other question, we do not feel perhaps that we can justify such a recommendation.

I do not think it would be fair to future veterans affairs committees for us to do all the work and leave them without anything to do. We feel that we should leave a little something for some future committee to do.

The argument has been advanced that because the men and women who served in Britain in World War II are entitled to the war veterans allowance, therefore those who served in Britain in World War I should be equally entitled.

Those of us who were in Britain in World War I and in World II have got to admit that there is no earthly comparison between the conditions in World War I and those in World War II.

We have always felt, in presenting a brief from the national council, that the strength of our case has always been that we have never put ourselves behind something which we did not feel we could push to the limit and justify.

The day may come, however, when we or our successors may feel that we can justify extending the war veterans allowance to those who served in Britain only in World I, but we do not feel that we can do it now. We have yet to make a first recommendation to this committee or to the government that we did not feel that we could justify to the limit. I do want to make this one observation, that we are very happy in the National Council about the approach taken by the War Veterans Allowance Board and the department and I think it is due the minister to say particularly since the Hon. Mr. Lapointe took over the office of the Minister of Veterans Affairs. Those words of appreciation extend to all the heads and officers of the department. We have found them cooperative and interested and—this I believe is attributable to the minister—they have held in many instances the same views which we do in the questions we have to approach. There is one observation I wish to make about that situation. Looking at the directives which the War Veterans Allowance Board issue from time to time I have to admit frankly that they appear to be quite generous in dealing with casual earnings; their interpretation of the directives as to what are casual earnings appear to be quite generous. The only observation we wish to make further than that is we would like to be able to feel that that attitude will not change and that there will be no restriction in the generosity of those directives following any action which the House may take in amending the bill and increasing the allowances. Our main point here today on the question of allowable income is toward and on behalf of those who do not have available, because of disability or lack of opportunity, the access to these various casual earnings which on the face of the matter appear to be quite generous, but it does not matter how generous one is if you cannot gain access to his generosity.

I feel I have taken sufficient time. If there is anything which I have overlooked I am sure my colleagues will prod me and I will be glad to answer, or call on my associates to answer, any questions which you wish to ask. There are some of my colleagues who wish to make verbal representations on their own behalf. Would it be preferable to have them make their presentations now?

The CHAIRMAN: I think it would be preferable to have them speak first.

The WITNESS: I would call on Mr. Butler.

Mr. GOODE: Mr. Chairman, I wonder if I may ask Mr. Wickens how many members are in these combined six or seven organizations?

The WITNESS: We have approximately 200,000 in ours. I will have to ask the others to speak for theirs.

War amputations, roughly 5,500; war blinded, 330; Canadian Corps Association 10,000; war pensioners, approximately 900; paraplegic, approximately 250.

The CHAIRMAN: You wish to call on Mr. Butler?

THE WITNESS: Yes. Mr. Butler represents the War Amputations of Canada.

MR. BUTLER: Mr. Minister, Mr. Chairman, and gentlemen, I believe that Major Wickens has covered as well as I could hope to, or better, the first portion of the brief, namely the war veterans allowance.

I would like to say a few words on the hospitalization treatment for non-pensionable disabilities. First of all, I wish to explain that I feel, and I know the group with me feel likewise, that we are ultimately going to make every effort possible to get free treatment for all non-pensionable disabilities. However, I also realize, speaking practically, you very often are better to accept a portion of your resolution than you are to attempt to get the whole thing all in one bite.

In the present situation as far as hospitalization is concerned we are very grateful to Dr. Warner and his group and for the government in allowing us the percentage of non-pensionable free treatment we are now getting. Roughly it entails a means test of allowable income for six months before or after. Assuming a person is in hospital for a year it is averaged across that period. Then, his pension is also included and there are adjustments allowed for a wife and child. At a certain level he is permitted extra free hospitalization for non-pensionable disabilities. If his total income for that period is over that amount he pays the shot. I would like to explain what we feel a war disability pension is. The compensation is for pain and suffering incurred in the past. The present difficulty we are all having is with awkwardness of getting around, additional cost of transportation, and hiring help for jobs we are unable to do. This all adds up to the fact that under the present situation the high pensioner, the 100 per cent pensioner—75 and up—actually are being discriminated against under the present hospitalization situation. The compensation which we receive is recognized as far as income tax regulations are concerned—they are not taxable—and I feel it would be a tremendous step in the right direction if we could have our war disability compensation, or whatever you may call it, excluded from this means test. If I am on a 100 per cent pension I do not feel it is fair that I go into hospital and have a \$15 a month deduction from my particular pension and on top of that am unable to qualify for free hospitalization. I know that the government is now going into the matter as to what is and as to what is not actually attributable, but it is logical that a chap with both legs off is more apt to fall downstairs or slip on the ice than someone who has a leg off below the knee and there is no entitlement for that. I feel that the discrimination against the high pensioners is unfair and I feel it would be a step in the right direction if pension could be excluded when this means test is being taken.

I do not think I have anything further to say on that. I would be glad to answer any questions which I may be able to answer.

THE CHAIRMAN: Since we are taking individuals now, perhaps we could have the questions. This is a definite point which Mr. Butler has raised.

MR. CROLL: It is also raised in the brief.

THE CHAIRMAN: Yes, perhaps we had better hear from all the others first.

MR. FRED WOODCOCK: (*Representative of the Sir Arthur Pearson Association of War Blindened*): Mr. Chairman, I would like to say a few things about free hospitalization for classes 1 to 11, and also about the \$15 deduction from the 100 per cent pensioners only. I know that perhaps there is someone here who will differ with me in the statement, but the only person being charged for hospitalization for disability in Canada today is the 100 per cent pensioner; the rest have their pensions made up to the 100 per cent pensioner's amount less the \$15. I may put it perhaps a little more simply if I said, Mr. Chairman,

if you and I worked for the same firm, for the same wages, and I received the 100 per cent pension and you received a 50 per cent pension and we both went into Sunnybrook Hospital in Toronto you would have your pension made up to 100 per cent pension less \$15. The firm would continue to pay your wages and continue to pay my wages but my income is reduced by \$15. You gain and I lose. That has, over a long period of time, been a very galling factor to our group who are in the main 100 per cent pensioners, 100 per cent, 150 per cent, 200, 300 per cent pensioners. We seem to speak of that group as being 100 per cent pensioners, but we forget that if you add up the total of disabilities they are far in excess of 100 per cent.

Speaking of that \$15 deduction and those disabilities in excess of 100 per cent brings me automatically to free hospitalization. No man here that is not blind can tell a blind person what he has to live with. Not even one's own wife and one's own family doctor can assess half the troubles he experiences. Generally they put it down to the tension under which we live, and that is quite true. A blind person is not distracted by sight associations around him at all. He has to remain tuned in from his awakening in the morning until he closes his eyes at night, tuned in at all times to sense of touch and to sense of smell and of hearing. He cannot sit on a streetcar and let his thoughts stray to something else; he has to be conscious of every sound along that route in order to get off at the right stop. That is just a little example. As has been said here today, perhaps some of us have—shall I use the expression—taken the “bull by the horns”, gone out and tried to do a good job. But perhaps those same few—and we could name them—Colonel Baker, Mr. Dies, Dave Ferguson and a few more, and you might even include myself—have made blindness seem a little too easy to sighted people. I do not know. But in attempting to set a pattern for others I hope that we have not impressed our friends around us with the fact that we are getting along too easily. No one will know what is in the mind of the veteran who is disabled. There is only one means to pacify what is in his mind, and that is by legislation that will give him free hospitalization for non-entitlement conditions. Time and time again, I know that the gentlemen on the floor here have had experience with veterans' difficulties. They know that, although there is no tangible proof of it, perhaps what is wrong with such veterans is that they are living with handicaps caused by their war services in the past. I would gladly answer any questions of this committee, Mr. Chairman. Thank you very much.

The WITNESS: For the Canadian Corps Association, Mr. Bert Lanning.

Mr. A. E. LANNING (*President, Canadian Corps Association*): Mr. Chairman, Mr. Minister and members of the committee, the Canadian Corps Association is particularly interested in the brief this year. Whilst we have had a certain interest in the previous briefs that we have attempted to support, the war veterans allowance is part of the Veterans Charter in which the members of the Canadian Corps Association in particular are interested. We are in the National Council, with the blind, paraplegics, amputations and so on. But we represent a group of the older first war men who, before the days of company pension schemes, were not able to get into pension schemes that would look after them in the twilight of their lives and are now out on pensions or allowances—you might call them gratuities—from their firms of very small amounts, \$6, \$7, \$9 a week—a mere pittance. The war veterans allowance, by the good nature of the Canadian government, is their only means of existence. We certainly believe that \$120 for the married man and \$60 for the single man is the minimum on which those men can exist. For that reason we think that the amounts should be \$60 and \$120, as our brief says.

With regard to hospitalization, those who were on the committee last year and the year before will remember that on one occasion I spoke of free hospi-

talization, and said that if it were not possible to secure free hospitalization, there should be a contributory type of hospitalization. Now, I am not quite sure whether I am correct or incorrect, but I believe that it was not politically expedient to have contributory hospitalization, on account of the very many medical associations that were interested in that. If the government gave us free or contributory hospitalization, then that would make inroads on their market of perhaps a million veterans to whom they might sell their schemes. Certainly, if we cannot have free hospitalization, our organization would like to see a contributory scheme, but not to the point of taking \$15 a month for pensionable disabilities. That is a contribution with which we do not agree.

The means test is another thing with which we are concerned. Not long ago, on Bay street, I heard one of our wealthy friends quipping facetiously that he was buying a big new car. His friend said, "You are going to get only about 14 miles to the gallon with that." He said, "Yes, but my birthday is in February and I am going on the old age pension; and I figure that the government can pay for the gas for the new car." That is all very well, but the veteran on war veterans allowance is not going to be able to buy a big car and run his car on gas paid for by an allowance without a means test. So we think that the means test is a little harsh on war veterans, and every opportunity should be given to the older man who is ambitious enough to go out and do something. You set a ceiling of \$10 a month, but you have to pay a boy \$10 a month to come and cut your grass. What is a man going to do to keep his earnings down to \$10? It is a ridiculous figure.

Now, I was in England and on the continent last year. This question of war veterans allowances for Canadian veterans outside Canada is a very moot point. I do not know just what the answer today is, but I will say this, Mr. Minister, that the D.V.A. in England is doing a first-class job. They have many problems, and I know that you will get many approaches from the London office on that.

I might take one moment to express the appreciation of the Canadian Corps Association to the minister for a very kind message which he sent to Bramshott last year when a memorial was unveiled. Three hundred to four hundred men are buried at the little Bramshott church and a memorial was placed there last year. A very nice message from the minister was received, which made the people of that community very happy.

Now, I do not want to go over any of the other points which have been touched on here today. I believe, certainly, that our brief is quite correct, and very modest in asking the same exemptions for war pensioners or war veteran allowance recipients as the Income Tax Act provides. I cannot see how you can differentiate between the two, and we are certainly behind everything which we have put in this brief.

The WITNESS: The next to give evidence is Mr. A. T. Pollock of the War Pensioners of Canada.

Mr. POLLOCK: Gentlemen, I realize that you are here in an effort to do something for your constituents. You are the elected representatives of the people. The gentlemen to whom you have been listening are also elected representatives of a very important section of the people of Canada, people who made it possible for you and I to be here today in the circumstances in which we are now meeting. I am quite in accord with everything which Mr. Wickens said in presenting our brief. This was not a hurried "deal" at all. This was a seriously considered brief, and I believe that what Mr. Wickens, and the other representatives who have spoken have told the committee is an absolutely honest estimation of what not only the veterans but the people of Canada think this country should do for those who offered their very lives for the country. I am quite in accord with what Mr. Wickens said when he

stressed that there were men carrying disabilities which were not tangible, disabilities which could not be seen, and those men are suffering 24 hours a day, 365 days a year from disabilities which are not quite apparent, and it is my thought that this government—I do not say this particular government, but the government of Canada—did create a preferred class of pensioners when it issued directive number 66, inasmuch as they then said that seriously wounded, gun-shot wounded veterans should have automatic pension increases. We have drawn attention to this matter on two or three former occasions, and it was also presented in one of our briefs. It was pointed out by members of the committee that the medical disability pensioner was eligible to go before a board and if his case worsened he could have an increase also.

Nevertheless, I believe the government of Canada created a preferred class of pensioners because, after all, a pension or compensation is paid for a disability from which a person is suffering and if a man returned from the war in 1919 with a leg off, or shrapnel wounds, or bronchitis, or a heart condition he was compensated for that disability.

As time goes on, age catches up with these people and they are less capable of coping with their disability, regardless of whether it is the loss of an eye or the loss of a leg, bronchitis, a heart condition or whatever the case might be. The seriously wounded cases qualify for an automatic increase in the amount of their pensions. Why? Have their cases worsened? They have got the same disability but on account of age they are less able to cope with that disability. They are now 35 years older. The same should apply to the man with a bad heart condition, but they say to such a man, after they have examined him: "Oh well, you are 35 or 40 years older now, and your case is no worse". Nevertheless he is in exactly the same position as the man with the gun-shot wound. He is less capable of coping with his disability. Both are in the same category. Both are suffering from a disability and on account of age they are less capable of coping with the disability. That is all I wish to say on this subject, which might be outside the committee's jurisdiction under their terms of reference. I do feel that it is absolutely unfair to expect a recipient of war veterans relief to lower his standard of living by reason of his age, yet that is what has been proposed.

I feel that the government have set a fair mark when they said \$1,000 should be exempt from taxation for all and sundry, whether they have disabilities or not. There can only be one reason, according to my mind, why they decided on this exemption: they knew people could not get along with less. A further \$1,000 is allowed for a wife. Thus I think the delegation presenting the brief today are asking for something which is just and fair and I think that you gentlemen will agree with it. I cannot see how you can say on one hand that \$1,000 should be exempt from income tax,—\$2,000 in the case of a married couple—but when a veteran is concerned, this should not apply. It should work both ways.

I know that members of the committee are fair, and I honestly believe despite what some people say about elected representatives, that all the members here are trying to do a job for Canada, and we submit our brief today feeling that you will do for the veterans what they did for us. They elected themselves to serve Canada, and in electing themselves to that service they agreed to go anywhere and do anything which they were told to do for Canada. They carried this service out to the very best of their ability, and if they have suffered as a result of discharging these duties I feel sure members of the committee will see that they are justly dealt with, and that they get their just desserts. Thank you.

The WITNESS: We have reserved to the last, not particularly by design—the rear guard is usually the strongest part of the army—Mr. J. A. L. Robichaud, of the Canadian Paraplegic Association.

The CHAIRMAN: What is your first name Mr. Robichaud?

Mr. ROBICHAUD: Lorenzo Robichaud.

The CHAIRMAN: You are president of the Paraplegic Association?

Mr. ROBICHAUD: I am not the president. As a matter of fact, Mr. Chairman, I would like to express the regrets of the president, Mr. John Connsell of Toronto, that he has not been able to attend here this morning. Members of the committee will easily realize that persons confined to a wheel-chair do not find it always possible to travel. As I live in Ottawa, he has asked me to represent the association.

We of the Canadian Paraplegic Association fully endorse all the recommendations which have been made this morning by the National Council of War Veteran Associations and if you would allow me, Mr. Chairman, I would like to enlarge somewhat on one point in which we are particularly interested, but which, unfortunately, does not, again this year, come within the terms of reference to your committee. I refer to recommendation No. 2, on page 6 of the brief, regarding the deduction of \$15 per month or 50 cents per day when a pensioner undergoes treatment for a service related condition. As far as I know the committee on Veterans Affairs has never been called upon to inquire fully into this provision of the veterans legislation and I trust that the following remarks will help to convince all concerned of the necessity of doing so in the near future.

It is a recognized principle of the veterans legislation that when a former member of the forces sees his power, his capacity to compete on the general labour market reduced to nil by disabilities entirely related to his service he is entitled to a pension at the rate of 100 per cent and I can vouch for the fact that in such instances the Canadian Pension Commission does not hesitate to award a 100 per cent pension. You will agree that a person detained in hospital for treatment is at least temporarily unemployable and for all intents and purposes should be considered completely disabled. In the case of a pensioner the Pension Act provides that when he is admitted to hospital for treatment of a condition for which he holds pension entitlement he will draw instead of his pension a treatment allowance. This allowance is equivalent to a 100 per cent pension less 50 cents per day.

As a result, the most seriously disabled, those whose disability is assessed at 90 per cent or over suffer a reduction in the compensation they are receiving for their service related disablement while they are undergoing treatment in hospital, and those who are pensioned at less than 90 per cent see their compensation increase but not to an amount equal to a 100 per cent pension although as I said they are certainly completely disabled during the time they are confined to hospital.

Moreover, it is reasonable to assume that a person totally disabled will be or should be confined to hospital oftener and for longer periods than a person suffering from a disability assessed at let us say 30 per cent or 40 per cent and it would seem, therefore, that the regulation providing a deduction of 50 cents per day during treatment is not only inconsistent with the intent of the legislation enacted by parliament for the welfare of the veterans but also constitutes a serious discrimination against those whose health has been so impaired by their service that they now have to spend months and even years in hospital.

Let us hope that this problem will be given due consideration at the earliest possible opportunity.

The CHAIRMAN: Is that all, Mr. Wickens?

The WITNESS: Yes.

The CHAIRMAN: Then I suggest you come back to the table, and as questions are asked, you either answer them yourself or call on the various representatives of your supporting organizations.

The WITNESS: We may simply say that we cannot answer them.

The CHAIRMAN: We are now ready for the questions.

By Mr. Brooks:

Q. I was going to question Mr. Wickens with reference to the brief. He did not mention allied veterans widows. Would he please comment on what has been recommended by some of the organizations? If an allied veteran had lived 20 years in Canada and if he otherwise qualified, he could receive the war veterans allowance. But if he died before the expiration of that 20 years, then his widow who may have lived here for 20 years, cannot qualify.—A. That is covered, Mr. Chairman, by the Canadian Legion's brief. That matter was not called up for discussion in the meetings of the National Council. Therefore, I must speak solely for myself. If an allied veteran had lived 20 years in Canada he could qualify. He had lived for a substantial time in Canada. In other words, he did not come here just because he knew that he was going to die. But we have not dealt with the matter. I am speaking solely as a private person. Although I believe the National Council would agree with me, yet I am not authorized to say so. I think it is a maintainable position.

In other words, this woman has lost her husband. The couple came to Canada at a time when there was no notion of that sort of thing being available to them. It may seem a hardship, and I agree that it could be properly considered a hardship, to say to her: "You have not only lost your breadwinner, but you have also lost the advantages which you as a resident in Canada would have obtained, had you not lost them."

For myself I would support that position, but I am not authorized to speak on behalf of my colleagues, or the association, or the council.

Q. One further question: with reference to your brief. You recommend \$60 and \$120 allowances. Is that founded on any cost of living basis. In 1952 I remember when this organization was before the committee they said that their asking for living allowances of \$60 and \$120 was vis-a-vis the cost of living at that time. Are you using the same basis for your recommendations at the present time?—A. As far as our personal experience with the cost of living goes, it has not decreased substantially. Apart altogether from that, the recommendation is made, as far as I am concerned—and it is my understanding of it—I presume that in some cases that will be the total income.

I think it is quite self-evident that \$60 per month for one person and \$120 per month for two people—to put it mildly—is the very lowest possible amount you would hope they could subsist on.

Q. Would you agree to \$90 for a single person and \$150 for a married couple? That was the information we were given in 1952.—A. I would be very happy if this committee and the Government of Canada could see its way to do that. I think it could be thoroughly justified.

Q. Do you agree that that would be the cost of living today if it were the cost of living in 1952?—A. There has not been sufficient difference to affect it. I am not wishing to go on record that I agree that it would be the cost of living in 1952. In my own experience I think it would be barely the cost of existence in 1952, which is a different thing altogether from the cost living.

Therefore, while I take the position there has been no appreciable reduction in the cost of living in 1955, as opposed to 1952, I am not prepared personally to agree that that sum was a sufficient amount to cover the cost of living in any year.

Q. But you will not say it was any less?—A. No.

The CHAIRMAN: Mr. MacDougall.

By Mr. MacDougall:

Q. I was interested in the various speakers who presented this brief today on behalf of their specific organizations, and I congratulate them on the way the brief was handled.

There are, however, some questions which arise, in my mind, in respect to some of the things which we discussed on Friday in this room when we heard the brief of the Canadian Legion.

I do not recall which speaker it was but one of them said today, that, with respect to the war veterans recipients who by reason of health conditions had to live outside of Canada, he felt that such recipients should be able to draw the war veterans allowance if they lived in a country extrinsic to Canada. I believe the delegate who mentioned that also said that additional information on it could be secured from the United Kingdom. I do not know if I am exactly right in that or not, but if that is the case, and if they are doing that in the United Kingdom, then it would seem to me, as far as we are concerned here, that the same condition should apply where a war disability pension or a war veterans allowance recipient has by virtue of medical necessity removed himself to a foreign country, and as far as we are concerned here in Canada that foreign country would invariably be the drier and warmer states in the United States. It seems to me that that is something that we could give consideration to.

The CHAIRMAN: I am wondering, Mr. MacDougall, if you are going to ask a question.

Mr. MACDOUGALL: I did ask a question: what information if any is available with respect to the remarks of the gentleman who said that in his opinion it is working out satisfactorily I believe in the United Kingdom.

Mr. BERT LANNING: Mr. Chairman, I think I said that the department would most probably be able to get the information. The Department of Veterans Affairs have war veterans allowance recipients in England and they would have the problem pretty well in hand.

Mr. MACDOUGALL: I can hardly understand why any Canadian would want to go over and live in the smog of London to recuperate his health.

I have another question which has to do with a remark made by the gentleman who presented the brief on behalf of the council that there was in his opinion a disagreement as to the brief that was presented by the Canadian Legion respecting the payment of a pension on a basis of those who served in the United Kingdom as opposed to those who served in active theatres of war. I brought up that question in the bill which came before the House and I am glad to see that this gentleman was fair and honest in his presentation of that fact because I think it is a matter—

The CHAIRMAN: I wonder, Mr. MacDougall, if you are going to ask a question. We were going to restrict this to questions, otherwise we will not get through by 12.30. We cannot at this meeting make speeches or we will not get through the questions members will want to ask. We will discuss this when we come to the actual bill. Mr. Herridge is next, then Mr. Henderson and Mr. Croll.

By Mr. Herridge:

Q. Mr. Chairman, I assure you I will not make a speech. I wish to ask Mr. Wickens a question. I was very interested in one suggestion that those who have to live outside of Canada on account of health reasons should be paid the allowance outside of Canada. There are one or two rather interesting cases

in that respect. Could Mr. Wickens give the committee any idea of the number of cases he has which would come into that category. I am of the opinion that they are very small in number roughly speaking?—A. Mr. Chairman, I am afraid that I cannot give you any figures which would be of any value. All I can say is this: as some of you may know I go every year to the annual convention of the American Legion, at their invitation, and to the annual convention of the Veterans of Foreign Wars of the United States, by their invitation, and every time I go there is at least one, and several times there were several, Canadians who if they lived in Canada would qualify for the war veterans allowance and who are living in dire circumstances there, some of them by contributions made by the local posts of the American Legion or the Veterans of Foreign Wars. However, I cannot give you any information beyond that. I have never yet gone—and I have been going for 8 years—to a veterans meeting in the United States where there has not been at least one case which has come to my attention of a Canadian veteran who cannot get benefits because he is living in the United States. As to the numbers there would be I am afraid I cannot help you at all.

Mr. CROLL: I am not clear on this, perhaps the officers will tell us later, but is there any discretion in the board with respect to a man who draws war veterans allowance and for purposes of health has to leave the country? There is under the Old Age Security Act.

The WITNESS: I believe they do use discretion when the absence is temporary and only for health reasons.

By Mr. Henderson:

Q. I wish to turn to Mr. Brooks' question about veterans widows of the allied nations here whose husband has died before 20 years residence. Could you give us some idea as to how an allied country like Great Britain and the United States treat the widows of our veterans who are there upon their decease?—A. As far as I am aware they do not receive any treatment at all. I cannot say they do not but I have not had any instance of it come to my attention. I see Mr. Bowler there and he may know.

Mr. G. H. BOWLER, C.B.E., (Minister Representative, British Ministry of Pensions): The only thing, of course, is that they would qualify under the ordinary social security measures which are all embracing to persons residing in the United Kingdom. They would not benefit from being a veteran's widow but they would of course receive the benefits as all citizens of the United Kingdom receive benefits under normal social security measures.

Mr. HENDERSON: Then, there would be no special consideration.

By Mr. Quelch:

Q. On page 3 of the brief, recommendation No. 3, reads:

That the recipients of war veterans allowance, upon qualifying for old age security, should receive the old age security, without reductions in the W.V.A., except insofar as the total income exceeds the total allowable income under the W.V.A. Act.

Then, over the page, at the fourth line:

It would seem only humane to permit the W.V.A. recipient to enjoy the old age security allowance, coupled with sufficient war veterans allowance to the total of permissible income from all sources.

That is the recommendation, but actually that is what is happening today, is it not? When a veteran reaches the age of 70 he can get the old age security and in addition enough of the war veterans allowance to bring his income up to the amount of permissible income.—A. That has not been my information.

Q. I take it then that you actually went a step beyond that in your suggestion. Did you not advocate that the recipient of war veterans allowance upon reaching the age of 70 should be able to receive the old age security payment plus the full amount of the war veterans allowance?—A. No. That was not our submission, not that we have any objection to it. Our submission was, having in mind the recommendations we made about this allowable income, that there would be no deduction by reason of the fact that he was receiving the old age security except in so far as war veterans allowance and old age security taken together would exceed his allowable income. In the case of a married man his war veterans allowance and old age pension would not exceed the allowable income. That is what we had in mind, but frankly I must confess—they say that confession is good for the soul—there are those who say that a lawyer does not have one, and so perhaps I do not qualify under that.

Mr. BROOKS: It would be increased by the increase of ceiling which you recommend?

The WITNESS: Yes, that was our position.

Mr. QUELCH: This really refers to the increase of the ceiling.

The WITNESS: My understanding of it, until I was informed here today, was that the war veterans allowance was reduced by the amount of the old age security allowance when he got it. If that is not now the case, it was at one time.

Mr. GREEN: I think that this recommendation No. 3 is perhaps not very clearly put. As I read it, I took it that when you referred to total allowable income you had in mind the total allowable income that you recommend, not the total allowable income as it will be under the bill. Is that correct?

The WITNESS: Yes.

Mr. CROLL: Major Wickens, this question has more point since you admit that you are a lawyer. Will you look at page 6 of the brief, please? Do you share that comment, and is there another view on that comment? Is there another view held by the department?

The WITNESS: As to what part of the comment?

Mr. CROLL: Do you share that comment?

The CHAIRMAN: He is not sure to what you are referring.

By Mr. Croll:

Q. There is only one comment on page 6.—A. There are several features to the comment. There is the \$15 per month, there is the opinion of the people of Canada—

Q. All of it leads to the conclusion at the top of page 7, which says in effect that every one of them should get a refund. Is there another view on that, because, on the basis of what you say there, I think that the department ought to write cheques by way of refund?—A. If the recital of facts in that comment is correct.

Q. I ask you as a lawyer and a man who holds a very responsible position in your association, would you say that that was correct?—A. If the facts as cited are correct, they should be entitled to the refund.

Q. Are the facts correct?—A. I was going to explain that. I am not the person who drew up this brief. I was at a meeting where the general principles of the brief were prepared, and until I got here yesterday I had not seen this comment. I am not saying that I disagree with the comment. You put the question to me as a lawyer, and as a lawyer I must state that I am not in possession of the personal knowledge as to whether the facts related in that comment are or are not correct. As to whether the Act covers that or not—

The CHAIRMAN: It was brought up before, and the suggestion was that there was ample power in the Department of Veterans Affairs Act to make regulations covering this point. There was no question in the minds of the department that there was a legal right to provide for this deduction.

The WITNESS: Could I make an observation here? It would not be the first time that the legal advisers of the department had been in error.

By Mr. Philpott:

Q. Mr. Chairman, I should like to ask Major Wickens this: are you sure that all your organizations are completely clear about the latitude allowed by the new regulations on casual earnings? For instance, without mentioning any names, we have had a comment this morning on earnings on cutting lawns. As I understand the instructions on casual earnings, they are very clear that a person can make all the money he can get if he cuts lawns for different people.—A. At odd jobs, yet.

Q. He can make up to \$50 a month, even on a steady job, but he may make any amount of money as long as he works for different people. Are you sure that all the organizations are clear on that?—A. I know that ours is. The one that you have in mind is the Canadian Corps Association representative. I also noticed that when he was speaking, but I was hoping that it would not be observed. I am sure that we will see that the personnel do understand it. It was for that reason, among others, that I carefully pointed out how satisfied we were with the breadth of the directives covering casual earnings, and expressed the hope that there would be no narrowing down of these directives as a result of any legislation that might be passed.

Q. From your experience so far, would you say that that provision, which was put in not so long ago, allowing people to take jobs up to 12 weeks a year, is worth while?—A. Yes; very much.

Q. Do you find that they have been taking any particular advantage of that offer in that section?—A. Not as often as you would expect, largely because, I think, the opportunity has not yet presented itself. Most of the men who come under this war veterans allowance scheme do not get many opportunities to take a full-time job at a good wage for a few months, but where the opportunity offers and the recipient is advised, he takes it with alacrity. However, I think that I am correct in stating that there have not been too many opportunities of that kind. There are not too many, because not many offers are made, but it is a very helpful provision.

Mr. BENNETT (*Grey North*): I should point out that the deduction of \$50 a month does not apply to an ordinary steady job; it applies to a steady part-time job.

The WITNESS: It is limited to \$2 a day for 25 days a month.

Mr. GREEN: With regard to the paying of \$10 a month for cutting grass, I think that that should be cleared up. My understanding of the evidence given was that the veteran himself had to hire a boy to cut his own grass and that would cost him \$10 a month. He had to hire the boy because the veteran was unable to do it himself. I should like to know from Mr. Lanning, who gave evidence, whether that is right. The questions asked of Major Wickens have been based on the possibility of the veteran himself earning \$10 a month. As I understood it, his submission was that the veteran was unable to do anything and had to hire a boy to cut grass for \$10 a month. That makes it completely different.

The CHAIRMAN: I think the reason why Mr. Philpott brought that point up was that he detected the thought in the mind of one of the gentlemen giving evidence that these casual earnings did not go as far as they actually do. I

thought he wanted this gentleman to know so that he could bring it to the attention of the members of his organization, as to how far this provision goes. I think that is what he had in mind.

Mr. PHILPOTT: Exactly.

Mr. QUELCH: Could we have that point clarified? I am certainly not clear in my own mind. I understood from what the gentleman here told me that you could earn up to \$50 a month without any deductions, if it is on part-time work. That is, you could get a job at \$600 a year as a janitor without any deductions. Is that correct?

The CHAIRMAN: Yes, it is, but I should like to have that made plain before the representatives of organizations, so that they can convey the information to their membership. Mr. Garneau, you might put it on the record.

Mr. GARNEAU: He could take a part-time job as a janitor. He might not know exactly how many hours he puts in on it. It would be considered as casual earnings.

Mr. QUELCH: Even if the salary is on a yearly basis?

Mr. GARNEAU: Yes. We did not have any actual cases of that kind, but we would take the average of \$600 a year. It is generally paid by the month, and we consider that as casual earnings.

Mr. GOODE: I have a request to make and a question to ask, Mr. Chairman. The War Veterans Allowance Board issued a directive in 1954 on casual earnings, and I think the members of this committee should be supplied with that directive, so that we shall know what we are talking about. I am not entirely conversant with the information it contains, and what was said with regard to casual employment came as a surprise to me.

The CHAIRMAN: I understood a copy had been sent to all the members of the committee.

Mr. GOODE: I have not got one.

Mr. BENNETT (*Grey North*): There is nothing mysterious about these casual earnings. They are simply divided into three classes. The first is what may be called "odd jobs"—mowing lawns, shovelling snow and so on. A man can earn as much as he wants to in this odd job class. The second class is part time regular employment, such as being caretaker in a Sunday school or in a school. This is where the \$50 limit is imposed. The third class covers seasonal full time employment, such as employment at a race track or helping in a store at Christmas time or at the Canadian National Exhibition. Within this class a man may earn as much as he wishes in any 12-week period of the year. There are these three classes, and that is all there is to it.

Mr. QUELCH: Mr. Chairman, could not a copy of the regulations be placed on the record?

Mr. CROLL: I just happened to write down what Mr. Wickens was saying on behalf of the group—that he was very happy at the generosity which was extended so far as casual earnings were concerned. Should we now continue to discuss this question to the point where we become somewhat less than generous? Mr. Wickens is perfectly happy; the rest of them are happy—we ought to leave the board alone.

The CHAIRMAN: As soon as this was brought to my notice I sent copies of it to the various Legion branches in my constituency because I thought it was such a splendid change that they should know about it, and I think it is a good thing that this has been brought out while there is such a splendid delegation here, because now if there is any doubt about it, they can take it up with their members, and draw attention to it.

Mr. POLLOCK: I listened to one of the gentlemen here speak on what he suggested a man could earn. Under section 4—I think it is a very good section—a man can augment his war veterans allowance to \$50 a month. That is O.K. But I think the point is being lost sight of that the job should count when the man gets the old age pension—the amount he can earn under section 4 should be allowed to old age pensioners.

Hon. MEMBERS: It is now.

Mr. POLLOCK: They can earn up to \$500 in three months—you can earn \$50 a week—

Hon. MEMBERS: No, no.

Mr. POLLOCK: Pardon me, I meant \$50 a month, and after that you earn nothing. You take $\frac{1}{25}$ off.

The CHAIRMAN: The evidence in regard to this will be gone into very carefully when we have the departmental officials before the committee, but I think enough has been brought out to indicate that these changes with regard to casual earnings have perhaps not been taken advantage of as fully as might have been the case if their full effect were known by all the membership of the veterans organizations, and I think enough has been said to warrant everybody following it up and bringing these matters before their membership. But it will be gone into very carefully when the departmental officials are before the committee.

Mr. GOODE: I wonder whether now, Mr. Chairman, I may proceed to my questions? Mr. Quelch asked a question of the relationship between old age security and the war veterans allowance, and although we are going to hear the officials of that department, I am quite sure there is a short answer to this problem, and I wonder if you would give your permission to ask the official to explain the relationship I have referred to.

The CHAIRMAN: Perhaps the minister would like to say a word on it.

Mr. GOODE: I wonder if we could have Mr. Quelch's question? He put the matter very well.

Mr. QUELCH: I do not know which question it was.

Mr. GOODE: Old age security and the war veterans allowance.

Mr. QUELCH: In the House of Commons the minister charged that I had advocated that the means test be lifted entirely on war veterans allowances. I have never done that. In the last session of parliament I did however stress the fact that in so far as the war veterans allowance was concerned there was a presumption when it was first initiated that a veteran had preaged by 10 years. I argued that if this were the case then surely in view of the fact that we have lifted the means test at 70 so far as civilians are concerned, we should lift it entirely at the age 60 in so far as recipients of war veterans allowances are concerned.

The CHAIRMAN: Is that the point you wanted dealt with Mr. Goode?

Mr. GOODE: That is not the question he asked, but if the minister will answer that—

Hon. Mr. LAPOINTE: The answer to that point is, I think, the same as I gave Mr. Quelch last year. If you take away the means test on war veterans allowance at the age of 60 you do in effect establish the equivalent of a service pension for any man who has served in a theatre of war, at the age of 60. Automatically everyone would get that pension which would be the equivalent of a service pension. I know that originally, when the war veterans allowance was first introduced in 1930, the various veterans' organizations discussed that very point, and it was agreed they would not seek what would be the equivalent of a service pension, but that they preferred finding some formula—

it eventually became the war veterans allowance—which would give help to those veterans who were in need, rather than provide an automatic pension. That has been the line which succeeding governments have always taken and I have no reason to think that this will be changed at this time. I may point out that I quite appreciate what Mr. Wickens said with regard to the expenditure which various amendments to the Act might involve, and I know that any figures which we may bring forward as an estimate of increased liability due to changes in the Act are always, to some degree, questionable; but my understanding is that to abolish the means test at 60 and make war veterans allowance payable to every veteran who has served in a theatre of war, would increase the liability by something over \$150 million. I do not think I would recommend that to my colleagues.

Mr. QUELCH: But you agree with the argument? At 70 we gave everybody a pension...

The CHAIRMAN: You made that argument before and if we do not restrict ourselves to questions we will not complete all the questions the members may wish to ask. We could quite easily sit until 1 o'clock, though it is usually expected we should adjourn at 12.30. But if we do not keep to questions we will not be through even at one.

Mr. CROLL: Did I understand the minister to say that the difference between the man who automatically receives a pension at seventy and the veteran who would receive it at sixty—is \$120,000,000?

Hon. Mr. LAPOINTE: My point is this: if we take off the means test at the age of sixty for every veteran who otherwise qualifies for the war veterans allowance by reason of his service, it would cost—I am told by the deputy minister—\$162 million more than our present expenditures for war veterans allowance.

Mr. CROLL: I merely point it out to you, so that you may give the problem some thought, I listened very carefully to what Mr. Wickens, had to say. I have known him for a long time.

Hon. Mr. LAPOINTE: He did not ask it at all.

Mr. CROLL: Yes, he did. I noticed his language and I particularly took note. He continually kept referring to the war veterans allowance as a pension, and he made a very great point of it. I am sorry that I was not here on Friday to hear the Legion. I could not be here. I do not know what they said. But Mr. Wickens continually said that and I think it is the most important thing he said today while, of course, other things were very important too; but the fact that he kept referring to it as a pension makes me feel that that is in the back of their minds and that you had better get your arguments ready because that is certainly the next thing that is coming up. I feel the figures you gave us today—you know more about them than I do—do not jibe with me.

Hon. Mr. LAPOINTE: You will have an opportunity to question the officials of the department on what basis these estimates are made. I can assure you they are quite accurate.

The WITNESS: I would like to make one point, Mr. Chairman. I referred to the war veterans allowance as a disability pension. As you know, there is a big difference between a disability pension and a service pension. The service pension is received simply because you served for so many years with or without a disability; whereas the war veterans allowance is a disability pension for a non-identifiable disability. So you see, there is a big difference.

Mr. Brooks: Referring to old age security, you did not mention sixty years of age; you mentioned seventy years of age, and veterans who have reached the age of seventy.

The CHAIRMAN: In order to make it clear let me say that the minister's figures have to do with Mr. Quelch's suggestion. We can also put before the committee the cost of the suggestion that there be no means test at seventy—as indicated by the delegations here—the suggestion is that at 70 they be able to draw the full amount of the war veterans allowance plus old age security regardless of the ceiling on income. The suggestion is one which was made this morning.

The WITNESS: Not relating it to a ceiling on income.

The CHAIRMAN: Well, up to the ceiling on income which you advocate should be revised to \$1200 and \$2000 which would take care of both. But we can get the cost of it when we get the officials in front of us.

Please try to keep to questioning of the witnesses because we have a very splendid delegation before us today and there must be some more members who will want to ask some questions.

Mr. GREEN: May I ask one question in connection with the statement?

The CHAIRMAN: Order, gentlemen.

Mr. GREEN: May I ask the minister to indicate whether I am correct or not in believing that where the veteran is single and is in receipt of full war veterans allowance which, under this bill, would be \$60 a month—that when he reaches seventy years of age he can only benefit to the extent of \$10 from his old age security, because there is only a \$10 gap between the war veterans allowance and the total permissible income under the bill. Is that correct?

Hon. Mr. LAPOINTE: Well, the situation is that he gets his full old age security payment which is supplemented by the war veterans allowance up to the ceiling of income.

Mr. GREEN: I realize that the actual payment is made in that way.

Hon. Mr. LAPOINTE: His total income would be seventy dollars.

Mr. GREEN: But he gets the war veterans allowance reduced.

Hon. Mr. LAPOINTE: That is right.

Mr. GREEN: Insofar as the actual money in his pocket is concerned, he only benefits to the extent of \$10 when he reaches seventy years of age, whereas in the case of a single civilian, he would benefit to the extent of \$40.

Mr. BENNETT (*Grey North*): Yes, he gets \$70 instead of \$40.

Mr. GREEN: Do not mix this up. You can ask your own questions.

Married veterans, under this bill are drawing a maximum of \$108; and when they reach seventy years of age, they only get an additional \$12 a month, because the gap between the war veterans allowance for married couples and the total permissible income is only \$12. Am I correct in that figure?

Hon. Mr. LAPOINTE: That is correct.

Mr. CARTER: Mr. Chairman, could we not confine our questioning to the witnesses, because of the shortness of the time?

The CHAIRMAN: Yes, that is what I am trying to do Mr. Carter.

Mr. WESELAK: I listened to your argument carefully and I noticed you made no reference to a pension being based on pre-aging of the veteran rather than upon indefinable disability. Is the basis of your argument a change from that original principle?

The WITNESS: Quite; and the administration of the war veterans allowance in the light of the years indicates that it has been regarded as a disability alleviation rather a pre-aging old age pension.

Mr. DINSDALE: It seems to me that is a very important point. That is a question I have asked at two or three veterans committees.

The CHAIRMAN: Are you going to ask a question?

Mr. DINSDALE: At the last committee, I believe it was, the departmentals officials went out of their way to demonstrate that there was no validity to the ten year premature old aging theory.

The CHAIRMAN: That is a debatable point. I suggest that you just ask a question, because if you make a statement and I do not permit others to answer it, then we do not get a proper situation.

Mr. DINSDALE: This leads particularly to the point made by Major Wickens regarding the payment of the war veterans allowance to veterans of World War I who saw service in the United Kingdom only. You said that you were not supporting it because it was not the same basis of service. That would seem to indicate that the emphasis was shifted. Are you saying that your argument is based on that change?

The WITNESS: Yes.

The CHAIRMAN: Are there any further questions?

Mr. GREEN: I was just wondering about this submission on page 4 of the brief in respect to the Veterans Benefit Act. I wonder if we could have some word of the generous intentions? We have not seen anything about that Veterans Benefit Act yet. Could we not be told what those changes are to be?

Hon. Mr. LAPOINTE: You will know it when it is moved in the House. It is not proper for me to tell you what is in it beforehand.

Mr. BENNETT (*Grey North*): That comment in the brief is made as far as Veterans Benefit Act generally is concerned. It does not say anything about amendments.

Hon. Mr. LAPOINTE: There were amendments made last year.

Mr. BENNETT (*Grey North*): He was asking about the 1954 Act.

The CHAIRMAN: Last year's amendments?

Mr. BENNETT (*Grey North*): I can assure you that this year's amendments are not generous.

The CHAIRMAN: Well, gentlemen, probably I should say just a word on behalf of the committee to the members of your delegation, Mr. Wickens. First of all, I am sure that all the committee would want me to express our regret that our good old friend, Colonel Baker, was not able to be here today. We have met with him on so many occasions that we certainly miss him this morning. Of course we have a very high regard for him as have all the people of Canada, and I hope you will convey to him our warmest greetings and good wishes.

I am sure the committee would also wish me to say that we do appreciate very much the splendid presentation which you, and the various representatives of your organizations, gave to our committee this morning. I am sure that the committee would want me to say that they feel your case was very well presented and that we were certainly glad to see you all again.

I am sure that those who happen to be members of this committee in the future will look forward to meeting many of you again. One of the pleasures of sitting on this committee is that we meet the people who are doing so much for our comrades of past wars throughout the country, in trying to make their lot a bit better. So we do thank you all for your presentation and for the work you are doing.

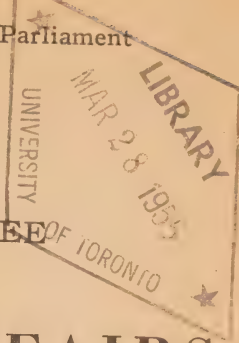
We shall now adjourn until 3:30 tomorrow, but before we adjourn let me say that it will be the widows who will make their presentation at that time. If they should finish before 5:30, we may go on and take some evidence from some of the departmental officials.

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CANADIAN VETERANS AFFAIRS
SPECIAL COMMITTEE ON 1955

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(HOUSE OF COMMONS
Second Session—Twenty-second Parliament
1955)



(SPECIAL COMMITTEE
ON

VETERANS AFFAIRS

Chairman: W. A. TUCKER, Esq.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 3

BILL 164

An Act to amend the War Veterans Allowance Act, 1952

TUESDAY, MARCH 15, 1955

WITNESSES:

Mrs. M. Wainford, President, and Mrs. L. Caunt, Secretary of the Canadian Non-Pensioned Veterans Widows; Mr. G. L. Lalonde, Acting Deputy Minister of Veterans Affairs and Mr. F. J. G. Garneau, Chairman, War Veterans Allowance Board.

EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1955.

SPECIAL COMMITTEE

ON

VETERANS AFFAIRS

Chairman: W. A. Tucker, Esq.,

and

Messrs.

Balcom,
Bennett (*Grey North*),
Brooks,
Cardin,
Carter,
Cavers,
Croll,
Dickey,
Dinsdale,
Enfield,
Forgie,

Gauthier (*Portneuf*),
Gillis,
Goode,
Green,
Hahn,
Hanna,
Harkness,
Henderson,
Herridge,
Johnson (*Kindersley*),
MacDougall,

Murphy (*Westmorland*),
Pearkes,
Philpott,
Quelch,
Roberge,
Tucker,
Weaver,
Weselak,
White (*Hastings-
Frontenac*)—31.

R. J. Gratrix,
Clerk of the Committee.

ORDER OF REFERENCE

MONDAY, March 14, 1955.

Ordered,—That the name of Mr. Johnson (*Kindersley*) be substituted for that of Mr. Jones on the said Committee.

Attest.

LEON J. RAYMOND,
Clerk of the House.

MINUTES OF PROCEEDINGS

TUESDAY, March 15, 1955.

The Special Committee on Veterans Affairs met at 3.30 o'clock p.m. this day. Mr. Walter A. Tucker, Chairman, presided.

Members present: Messrs. Balcom, Bennett (*Grey North*), Brooks, Cardin, Carter, Croll, Dickey, Dinsdale, Enfield, Forgie, Gauthier (*Portneuf*), Gillis, Goode, Green, Hahn, Hanna, Harkness, Herridge, Johnson (*Kindersley*), Murphy (*Westmorland*), Pearkes, Philpott, Quelch, Roberge, Tucker, Weselak and White (*Hastings-Frontenac*).

In attendance: The Honourable Hugues Lapointe, Minister of Veterans Affairs, and the following departmental officials: Mr. G. L. Lalonde, Acting Deputy Minister; Mr. J. L. Melville, Chairman of the Canadian Pension Commission; Colonel F. J. G. Garneau, Chairman, War Veterans Allowance Board; Mr. F. L. Barrow, Secretary; Mr. W. Gordon Gunn, Q.C., Director of Legal Services; Mr. E. J. Rider, Research Adviser, and Mr. P. J. Philpott, Special Adviser, Older Veterans. Also, the Very Reverend Dean John O. Anderson, M.C., President; Mr. T. D. Anderson, Dominion Secretary; Mr. D. M. Thompson, Director of Service Bureau, all of the Canadian Legion, B.E.S.L. Also Mrs. M. Wainford, President, and Mrs. L. Caunt, Secretary, of the Canadian Non-Pensioned Veterans Widows.

The Committee resumed consideration of Bill No. 164, An Act to amend the War Veterans Allowance Act, 1952.

The Chairman presented the Second Report of the Sub-committee on Agenda and Procedure as follows:

Your Sub-committee recommends

That the travelling expenses incurred for attending before the Committee on March 15th be paid to the delegates of the Canadian Non-Pensioned Veterans Widows, namely: Mrs. M. Wainford, Verdun, Quebec, and Mrs. L. Caunt, Toronto, Ontario.

All of which is respectfully submitted.

WALTER A. TUCKER,
Chairman.

On motion of Mr. Bennett (*Grey North*), the said report was adopted.

The Minister of Veterans Affairs welcomed the delegation from the Canadian Non-Pensioned Veterans Widows.

Mrs. Wainford was called, laid on the Table certain resolutions of the Dominion Council concerning Veterans Widows and the various allowances. The witness was questioned thereon and retired.

Mrs. Caunt was called, made a short statement in support of the submission of Mrs. Wainford and was retired.

Mr. Garneau laid on the Table the following document:

War Veterans Allowance Board Directive No. 25/1953 in relation to casual earnings.

Ordered,—That the said document be printed as an appendix to this day's minutes of proceedings and evidence. (*See Appendix A.*)

Mr. Garneau was also requested to supply the Committee with a memorandum on the regulations pertaining to farm income and to income from rentals.

Ordered,—That the said memorandum when received by the Clerk of the Committee be printed as an appendix to this day's minutes of proceedings and evidence. (*See Appendix B.*)

Mr. Lalonde was called and laid on the Table six tables of statistical data in relation to War Veterans Allowance.

Ordered,—That the said tables be printed as an appendix to this day's minutes of proceedings and evidence. (*See Appendix C.*)

Mr. Lalonde, assisted by Mr. Rider, was examined on the statistical data placed before the Committee.

Mr. Garneau answered questions specifically referred to him.

At 5.30 o'clock p.m., the division bells having rung, the Committee adjourned to meet again at 10.30 o'clock a.m., Monday, March 21st.

R. J. Gratrix,
Clerk of the Committee.

EVIDENCE

March 15, 1955
3.30 p.m.

The CHAIRMAN: I see a very good quorum here to welcome the ladies. Before I call on the minister to say a word of welcome to them, which I am sure he will want to do, we should provide for their expenses. I am sure that they will not mind our doing that. I have a report of the subcommittee, on which I saw nearly everybody but Mr. Green, recommending that their travelling expenses be paid to Mrs. Wainford and Mrs. Caunt. Is that agreed?

Mr. BENNETT (*Grey North*): I move the adoption of the report.

Now we have before us two old friends who have visited us on several occasions in the past. We are certainly glad to see them again. I will call on the minister to say a word of welcome to Mrs. Wainford, president of the Canadian Non-pensioned Veterans' Widows, and Mrs. Caunt, who is their secretary.

Hon. HUGUES LAPOINTE (*Minister of Veterans Affairs*): Mr. Chairman, thank you very much. I think that I would be expressing the views of all the members of the committee in extending a word of welcome to the two ladies who are coming before the committee today, Mrs. Wainford, the president of the Canadian Non-pensioned Veterans Widows, and Mrs. Caunt, the secretary of the same association. Of course, I do not have to extend a welcome to Mrs. Wainford. She comes and sees me quite regularly, and she is always welcome. I have no doubt that the members of the committee will be interested in the views which these ladies wish to put before them today. Without saying anything further, Mr. Chairman, I would ask you to proceed.

The CHAIRMAN: Mrs. Wainford.

Mrs. M. Wainford, President, Canadian Non-pensioned Veterans Widows, called:

The WITNESS: Mr. Chairman, Mr. Minister, hon. members of parliament, and the gentlemen from various branches of the government, it is a privilege again to come before this committee. On looking around, I think that I see most of the members who were with us last year when we appeared before the committee. I am also pleased to see so many of the old members who have been on the committee since I first appeared before them in 1941. I would also like at this time to thank the minister, as I did previously about 10 days ago, when I visited his office to congratulate him on the extension of the new bill with the increases of \$10 a month on the basic scale for war veterans' widows.

You will notice that we have no brief to present to you. As in other years, we had a meeting of our convention with our delegation down here. In January of this year I had a feeling from our meetings—as the minister said, I often come to see him about little matters here and there—that something might happen this year. So I advised my secretary to hold everything in abeyance, to see what the government would do. About 10 days ago I came to see the minister. We discussed the resolutions that we would submit to

you; these resolutions are from our convention last year—after we had been before this committee—at our regular dominion convention. I do not think that there would be very much to tell you in regard to our brief, because we have usually gone through our resolutions one by one and discussed them, and if there were any questions to be asked by the members, we have tried to enlighten them on why we passed these various resolutions to be dealt with before this committee. I do not know whether the committee has a little more power this year than it had last year. I think I mentioned this before. The minister did not attend the meetings which I appeared before in May, 1954, but I understand last year that the committee had no powers to do certain things and that their plans were previously made for them. I am hoping that this year the members will have a little more leeway in their representations to the government. I have read a few of your *Hansards* in the last few days in the debates in the House of Commons, and I congratulate those who have taken part on our behalf in the many discussions which took place regarding the Canadian Non-pensioned Veterans Widows.

I understand that other veterans organizations have appeared and will appear before this committee. But as I come before you today, I appear strictly on behalf of the widows. As we go through these resolutions, I should like to ask the chairman just what time I have before this committee, so that we will try to get the work done in the limited time that we have. If not, I shall ask that we have at least half an hour tomorrow to finish them.

The CHAIRMAN: We generally adjourn at 5.30. That gives us two hours.

The WITNESS: That will suit me fine. At least, I shall try to do that for my own sake. I shall probably be pulled up on our first resolution, which was decided at our last convention, that the widows allowance under the War Veterans Allowance Act be increased to \$75 a month. This is necessary because of the high cost of living, especially increased rentals. On this question, I would like to say that, when I appeared before the committee last year a resolution asked in one part for \$60 and in another part for \$75. We were trying to place before the government that \$75, with an added \$300, would raise the ceiling of the permissible income to \$1,200. As I said, after we had gone back to our convention chamber, it was decided to add this to it. In my previous interview with the minister, when I met him about 10 days ago, we had a lovely interview. He said, "Well, Mrs. Wainford, you got what you asked for". I said, "No, we did not get what we asked for. We asked for \$75 a month at the last meeting". He said, "I hope you did not think you would get it". I said, "No, I did not think we would get it, but I thought that by asking for \$75 we would get \$60". Now that the minister has brought that through—and I say this very seriously—I am sure that this government of ours has made many of the widows very happy with this basic increase. I am very pleased with this basic increase. As far as other data in regard to our work is concerned, we will have to find out. Probably the minister or the chairman or someone else would enlighten us on what might take place, but we have definitely to speak about the present, and we have at present \$60 a month, with the hope that the \$70 will come in, as well as the other adjustments that are needed as we go through. Have any of the members questions to ask me on this first resolution?

Mr. HERRIDGE: I think that members are slightly confused between Mrs. Wainford's verbal representation and the first clause of the small memo that we have here. You are satisfied with the increase to \$60, are you?

The WITNESS: At the present time, sir. Does that answer your question?

Mr. HERRIDGE: Yes.

By Mr. Green:

Q. The first paragraph in the brief that we have been given reads:

That the widows allowance under the War Veterans Allowance Act be raised to Sixty Dollars per month, with a raise on the permissible income to the amount of Two Hundred and Forty Dollars per annum, as with the cost of living still increasing the widows find it impossible to meet their existing expenses.

Is this the wrong brief?—A. Have you not a copy of these resolutions?

Q. No.—A. I am sorry. This must have been copied from our last resolutions. I think that we will deal directly from our last convention resolutions. We are not discussing what is coming into effect at the present time. We are discussing what our present conditions are. Present conditions are that we are getting \$60 a month. That is why I explained that we have no brief to present to you, because the legislation came into effect before we were prepared to meet the government.

So that our new legislation—I am sorry there is a mistake in this—our new legislation which was drawn up from our convention, was to ask for \$75, because in the *Hansard* which I have here from our last meeting—if I could just turn it up, we could go into a discussion of it. I think it would be a waste of time for me to go through the *Hansard* because I can explain it.

Someone cross-questioned me at the last meeting, last year, and they said: "Mrs. Wainford, in part of your resolution you ask for \$60. That was because during our convention at the time our discussions were directed towards \$75 which brought in another matter—and I am going to have to repeat myself as I go along, because we, at that time, were figuring on the \$50 for war veterans allowance and the \$40 of old age pension.

That has gone on from previous years, when the old age security came in and we were trying to extend it to bring the old age pensioner in on a higher basis, of which we had complaints through our own organization.

I was hoping that that would clarify the first resolution that we were asking for \$75.

Mr. GOODE: Could I make this observation: if I have put your words down correctly, when you were speaking in the first instance, you said that the widows were very very happy at the action of the minister in recommending to the House of Commons the amount of \$60. Is that correct?

The WITNESS: That is right.

Mr. GOODE: Then the committee can take it that in this instance you are quite satisfied with what the minister has done?

The WITNESS: Yes sir.

Mr. BROOKS: It is a question of how to satisfy everybody.

The CHAIRMAN: Order, gentlemen.

The WITNESS: Are we now ready for the next question?

The CHAIRMAN: Order, gentlemen, please.

The WITNESS: The widows allowance under the War Veterans Allowance Act should be raised to \$60 per month with a raise of the permissible income to the amount of \$240 per annum, as with the cost of living still increasing, the widows find it impossible to meet their existing expenses.

That was brought up and discussed very thoroughly during our last meeting before the committee. I do not know if the government has it in mind with this basic raise of \$10 to make any added supplementation or what it might be. But as far as the bill is concerned, I understand that we will get

\$60 and have \$120 cash earnings. That would bring us again to ask the chairman, or the minister just what advantage this bill will have to it, at the present time, we have what they call or what are termed supplementary allowances from the assistance fund, which is administered by the various district offices, such as our office in Montreal. There, a widow who at the present time is receiving \$50 a month can make application, provided that she is not earning up to the amount of this \$120 per year.

In regard to this action, I do not know if the government have in mind in the way of an extension of this item, but I would like to say that I think that when this supplementation from the assistance fund was granted—I think it was in 1949 when it came into effect—we, as non-pensionable veterans widows—I felt that every widow who could not go out and earn, could get that full total amount of \$120 from the district office.

I do not know if the minister or the members of the committee are aware of this. I am speaking strictly for my own organization and with respect to what we discussed at our convention. This assistance fund did not work out according to what we thought it was going to do.

Anyway, back in 1949 or 1950 we would advise a woman to go down to the department to see what assistance they could give her in the way of clothing, fuel, or the necessities of life. But I would say that a big percentage of those widows never actually received the amount of \$120 from the district department.

I do not blame the government for it. Probably the department gets enough money to pay it out, but if they can keep it within their coffers down there, it will probably satisfy the government a little better. But I do not know.

Probably the department has full leeway to give the widows the \$120. Perhaps they do not. I never went into this with the minister, but we have discussed it on previous occasions before such a committee as this.

As to this \$120, in our opinion, where the widow was getting the total when this came into effect—she was getting \$50 a month with the added amount of supplementary allowance of \$120 a year—these widows did get that.

Upon application a widow might get it in a month or three months, while another widow might get \$10 in a year, but that was a rare case.

I have stated it already, but I do not think any of the women whom I have contacted have actually got their \$120 a year.

Mr. BROOKS: Was it on account of the application of the means test?

The WITNESS: Yes, the means test. I have been asked about it. I know that some of you—from my reading of Hansard—do not agree with the means test. If I was asked by one or two members what I thought about the means test I would say to carry it on, and for this reason: when we got this allowance granted to us in 1943 of \$20 a month, we had been before the committee in 1941 and it took until 1943 to bring this through. There was no means test or anything and we got the \$20 a month because we were indigent widows in necessitous circumstances.

Mr. BROOKS: There was a means test?

The WITNESS: There was also a means test at that time, and in that same year the allowance was raised to \$30 a month, and in two or three years it was raised to \$40 and \$50, while now it is up to \$60 but there is still a means test as far as the supplementary allowance is concerned. And of course there still is a means test as far as the applicant is concerned. Because you gentlemen will know, as well as I do, that there are certain regulations that have to be complied with in respect to these forms before any widow or even a veteran himself can get it.

Now getting back to the assistance fund, I am hoping that when the government gives us the \$60 a month, or the \$120 as cash earnings—I presume that is cash earnings, and with the permissible income—I think we will go into that later on. But still, speaking in regard to this assistance fund, it did not prove satisfactory in regard to the widows getting what we thought originally belonged to them as far as the government has given it to us.

By Mr. Quelch:

Q. If a widow was dependent entirely on the war veterans allowance with no other source of income, and she was in necessitous circumstances, she would not then have any difficulty getting the supplementary allowance, would she, the full amount of it?—A. Well, I think about four or five years ago I brought a case to the attention of someone in one of the departments where a widow was really in necessitous circumstances. Did you say, without a family, without anyone to help her?

Q. Without any other source of income?—A. Well, without any other source of income—in the earlier days I brought to the attention of the department, I believe it was to the attention of Mr. Parliament's department, as he is head of the social welfare department, that some of the widows had been investigated. Someone from the department phoned up a daughter of one of the widows at the place where she worked and asked her why she was not contributing more money to help her mother so that her mother would not have to get it from the assistance fund. I brought these letters which I had handed to me to the Minister of Veterans Affairs at that time who was the Hon. Mr. Gregg, and then Mr. Parliament went down to Montreal with me. There was more than one occasion where we felt that the families were being penalized. We have always brought forward that the widow gets this allowance as of right because her husband served in a theatre of war, and why should her family be penalized and have to give their earnings to their mother? The investigators will go into a home and ask what the family is earning and why they do not do this and why they do not do that for their mother.

MR. HERRIDGE: Did this Mr. Parliament find things unparliamentary when he went to Montreal?

THE WITNESS: Mr. Parliament is not here but he did find out what I had told him.

MR. GOODE: Did he fix it up to your satisfaction?

THE WITNESS: Yes.

By Mr. Brooks:

Q. Are you satisfied with the ceiling at the present time; the \$840 you will get?—A. These things always get so complicated.

MR. HERRIDGE: I would suggest that someone should explain the section to the witness.

THE WITNESS: Could I ask if this is on a new ruling of the House or from the old ruling?

MR. BENNETT (*Grey North*): Mrs. Wainford, casual earnings under section 6 of the Act are exempt. Casual earnings are not counted as income under the new bill. You will receive \$60 at the new rate and an extra \$10 as far as permissive income is concerned; old age pension, annuity or interest on bonds, and so on, count against your ceiling, but, on top of that you are allowed casual earnings. As was discussed the other day there are three types of casual earnings. First the odd job where you can earn as much as you

wish under that category. That is for the man mowing lawns and shovelling snow and with the widow it could be baby-sitting. It is not counted against the ceiling. Second, if a lady goes out and takes a part time job as secretary she can earn up to \$50 a month which is called part time employment. The third class would be seasonable employment. For instance if you got a job in a store at Christmas time you could earn as much as you wish for any twelve week period in a year and this does not count as far as your ceiling is concerned. An important widening of the interpretation of casual earnings occurred last year when a directive was issued that anyone who took in boarders could exempt \$50, which again doesn't effect your ceiling. You have your \$60 which you will be paid as soon as the Act goes through, and you will have another \$10 which you can get by way of superannuation or by way of old age pension or regular income, and besides that you can supplement your income by way of casual earnings which by section 6 of the Act is exempt.

The WITNESS: This will be the new Act which is coming in.

Mr. BENNETT (*Grey North*): This is the old Act too. Casual earnings have always been exempt. However, this is a directive which exempts \$50 for lodgers and boarders and it is a pretty important one for widows.

The WITNESS: I have been fully aware of the one for widows last year, but the Christmas before last one of our women went to work at Henry Birks and she made a little bit over the income. She was checked and is at the present time paying \$5 a month back to the government because she overestimated the amount of money she should earn.

Last fall by coming to see the minister in October and some others I learned that this definition of the earnings had been changed and getting in touch with the department in Montreal I still could not get the definition worked out. General Burns came down to our meetings in Montreal to try to explain this and it was never mentioned because every one was confused.

Mr. PHILPOTT: You will be able to have a wonderful meeting now when you go back to explain exactly how these casual earnings work out.

The WITNESS: I am sure the widows will be very pleased to take advantage of it. The only thing that worries me at the present time is that there is so much unemployment in the country that I do not know where we are going to get the old widows a job. I do not mean old in appearance but old in body and soul. Since 1943 when this thing came through, we have been living on the same amount of money year in and year out. The government has given us permission to take in a roomer or boarder at \$50 a month. The government has set a price of \$50 a month which would be equivalent to keeping a person. But suppose one of our widows goes out to find room and board at \$50 a month—she is only getting \$50 a month from the government and has to turn that cheque in for room and board. I am hoping when this bill goes through there will be different adjustments, but at the same time if a widow on war veterans allowance has a roomer or two roomers and they pay her \$7 a week there is a certain amount of money, around about \$18 a month, classified as profit. It is then taken off the allowance.

Mr. BENNETT (*Grey North*): She is charged so much profit, according to a formula, but she is allowed a total amount of a further \$50 which she can keep, so she can make another \$50 a month on top of her "ceiling."

The WITNESS: That is in the new bill, then?

Mr. BENNETT (*Grey North*): No, that is the present situation.

Mrs. CAUNT: It was adjusted in the bill.

The WITNESS: But we never had all this properly defined for us. In the early days many widows got themselves into trouble by going out to make a few dollars and now they are so nervous they are afraid to do anything for fear of getting into trouble with the government. That was the most important thing I had to tell my widows. I had to advise them, "Don't go out and earn anything more than you are entitled to."

By Mr. Bennett (Grey North):

Q. The woman who takes in boarders has actually a "ceiling" of \$1440 now.
—A. Yes, in many cases now, I presume, because they can take in two boarders.

Q. It does not matter how many boarders—this is for a deduction of profit to the \$50 you are allowed to keep. The number of boarders is not important.—
A. I think you can take in as many boarders as you like, provided you can still get \$50 a month.

Mr. GOODE: I wonder if we can suggest to Mr. Bennett that he attend a meeting of this organization in order to explain these matters.

The WITNESS: I certainly would love to have him.

Mr. PEARKES: I am sure Mr. Goode would be very helpful.

The WITNESS: I would invite you all down. In fact, I think we did write to the minister and asked him to attend our Christmas dinner, but he was not able to come. Maybe one of these days he will. I think he is really afraid to come.

Mr. HARKNESS: He is a very modest and shy fellow.

The WITNESS: I don't think so.

The CHAIRMAN: I suggest, Mrs. Wainford, that you have dealt with this question now and I presume it is more or less clear now. You can, if you wish, have a conference with Mr. Bennett before you leave and get him to explain it further and perhaps get it put down in writing so that you can be absolutely sure you have got it right. As I say, I think you have pretty well covered the first point in your resolution (A).

By Mr. Brooks:

Q. I wonder if I may ask one question. We have been speaking about employable widows. Have you any unemployable widows in your organization—widows who would not be able to take advantage of these provisions?

—A. I am very glad you brought this question up. In my group, and I am speaking especially of my own group, I suppose the youngest—and they are all widows—would be around fifty-seven years of age, and some of them would be quite capable of taking work, but the bigger percentage are sixty-five, seventy, and up to nearly eighty years of age, and they would not be able to take employment.

Q. What proportion would you say that represented? Fifty per cent?—
A. Out of the number of women who have gone through my association, approximately 75 per cent would not be capable of finding any kind of "temporary-permanent" employment—I think that is the term which is used—employment for two months or three months or something.

Q. That is under section 4?—A. Yes. I would like to speak about this matter for a minute. We have got to think about the other class of widow who is older and who is incapable of going out to earn these extra amounts, and I think that if the government could see some way of setting up an assistance fund to provide them with something it would be a very good thing indeed, although of course I do not know what is in the new bill. There would be a very small percentage in that class because the older widow, who cannot go out and earn, can more

or less take in at least one boarder, and that can help her out a little bit. There would only be a very small number of widows who actually have to go out and "room" in somebody else's house. I think it would be a very small proportion, and of course that would bring back the means test. There would have to be a means test and an inquiry into these difficult cases.

Q. I understand then that there are about 75 per cent who would not be able to take permanent employment?—A. That is right, but there are a number of younger widows who are going through our organization at the present time; they would be very young people when they married during the first war, at the age of sixteen or seventeen. I am sure they would be able to derive benefit from these provisions about employment, and not only in the area from which I come but throughout the country. Any of the women would be only too glad to try to work in order to make more money to help themselves. I think this is a wonderful thing, providing these women are not going to go out to work and then find out, at a later date, that the government has decided that they are working too much.

Mr. HERRIDGE: Mr. Bennett will explain that.

Mr. BENNETT (*Grey North*): Mrs. Wainford, you will find the members from British Columbia have too much to say.

The WITNESS: I would not say that.

Mr. GOODE: You will always find that what we say is to the point.

The WITNESS: After reading *Hansard* I would say all of you do pretty well. Now we are at resolution (c). I know there are other veteran organizations who are asking for this, namely, that veterans' widows in receipt of widows' allowance should receive free medical care. I do not think I am going to discuss this unless any of the members wish to ask me anything about it, because it has been brought up year after year with no avail. We are told it is a provincial item, and when we go to the provincial authority, they tell us it is a federal responsibility. We are therefore between the devil and the deep blue sea.

An Hon. MEMBER: Which one is the devil?

The CHAIRMAN: I think the members understand what you have in mind with regard to (c).

The WITNESS: Unless some member wants to ask questions on the medical issue. I am going to say a few words on that, because it has just been brought to my mind. I think there is something in one of the *Hansards* in which the minister himself spoke on this question of assistance for maintenance, extra clothing, food, etc. I could not take time to turn up the *Hansard* but that was definitely in a statement. Someone was asking in the House about this assistance. Whenever we have gone to the Department of Veterans Affairs in regard to hospitalization we have been told that the D.V.A. does nothing in regard to hospitalization. I would say in all sincerity that the department in Montreal works very closely with us, and the only way we might do anything for a widow who goes into hospital is by getting in touch with the hospital and finding out if the widow comes under the Province of Quebec Charities Act. That is very hard for us to do. I think that the minister will recall that about nine months ago I brought up a bill. One of my widows was in hospital, and her son-in-law received a summons to go to court if he did not pay his mother-in-law's bill. I showed that bill to the minister in a private interview, when we tried to get the government to do something by way of issuing an identity card so that we would not have to go through all this. That is penalizing the families. Each individual has enough to do, as I tried to explain to the hospital, to save money to look after his own hospital bills without having to pay for his mother-in-law's bills or anyone else's. I think that that could be done by the government. We have been told on more than one occasion that they cannot give us

free hospitalization unless they give it to a widow on a full pension of \$100 a month. A widow on a pension of \$100 a month is definitely entitled to it, because her husband was killed or died from war disability. Many young widows have drawn this allowance and they can earn \$1,000 a day, if they can get a job that pays it. We have been tied down.

Mr. HARKNESS: I do not think that you are right.

By Mr. Herridge:

Q. I have never heard of widows receiving any medical attention, drawing \$100 a month.—A. I said that a widow who has a \$100 a month pension has a right from the government because her husband was killed. That is from the Pension Act, not the War Veterans Allowance Act. She can earn more money. We have been told, when we brought this resolution before the government on previous occasions, that the government could not give us any identity card that would enable us to obtain free hospitalization, because of the fact that if they give it to the war veterans' widows they would have to give it to all widows who are drawing this \$100 a month pension.

Q. That is a very difficult question. For instance, in the province of British Columbia we have a hospital insurance scheme which covers everybody, whether they are veterans' widows or whatever category they are in. In addition, old age pensioners receive slightly more when over 70 years of age. Is there anything like that in Quebec?—A. The province of Quebec is the only province that does not have that kind of thing.

Mr. GOODE: With regard to the point you made as to the federal government and the responsibility of the provinces, we pay pensions for those over 70 in full, across the country. Yet the provincial government provides medical attention and hospital attention to those same people. I think we prove the point in this committee that although the federal government pays those amounts, the provincial governments provide hospitalization for them. So I think that you have a very good case when you are presenting your case to the provincial governments.

The WITNESS: Two or three years ago we had a joke about this when the Minister of Pensions was attending our meeting. I went with two ladies to see a provincial minister—you notice that I do not use the word "Prime Minister"—in regard to different matters applying to veterans' widows. The main point in which we were interested at that time was the keeping of the ceiling on rents, because rents were going so high. When we went to him, he threw up his hands and said, "Don't come to me; go to Ottawa, where you came from." I tried to explain to the minister that I wanted to see what the province was going to do about keeping the rents under control. I might tell you gentlemen that I have had some queer experiences in Ottawa in my earlier days, which I had never had before, but that was the only door I never got into. I can quite understand why the other provinces do what they do. They are very lucky. About six or seven years ago, when British Columbia and other provinces brought in this little extra security, as some of you hon. members are aware, they had that deducted from their allowances, because they earned more money than they should have. It did not do them any good in Vancouver or any other place to get \$5 over and above that from the generous government out there, because that was absolutely deducted from their war veterans allowance. It was very nice for the government to do it, but it was still taken off.

Mr. GOODE: It was not our government who did that.

The WITNESS: It is all our government. We, the people, are the government. I do not pay any taxes. We shall leave that in abeyance because I know there are other veterans organizations which are interested.

Now we come to (d).

Mr. BROOKS: You are skipping "b".

The WITNESS: That was the medical care we were talking about.

Mr. BROOKS: But you have skipped (b) "B" as in box.

The WITNESS: I am sorry. Do not tell me that I have skipped (b). Imagine skipping that one!

- (b) That all non-pensioned veterans widows whose late husbands served in England with the Canadian forces be considered under the War Veterans Allowance Act, and that England be considered a theatre of war for men who served in the Canadian forces during the Great War, 1914-1918.

You did not even say what would be considered under the War Veterans Allowance Act as a theatre of war. But I do not think I need to read any further on in this because of what has been done in previous years. I have been practically told that there is nothing that will ever be done about this.

Mr. BROOKS: Do not be discouraged.

The WITNESS: I won't be discouraged. You know that they say: if you keep on coming, you will get there some time.

I think that has been very well discussed in the House and if there is any consideration going to be given to it, it will certainly be given at this time, or left over for another two or three years. My secretary said that we will all be dead, but I hope not.

Now, coming down to (d) I read as follows;

- (d) That all widows of Imperial veterans who have resided in Canada twenty years and whose late husband died prior to having the necessary qualifications, be granted the War Veterans Allowance.

I would like to read to you another resolution which was drawn up at our last convention. We made a little change in that. I shall read it now because usually at this time of the year every member is sent a copy of what has taken place at our convention.

Last year it was supposed to read in our minutes and in our resolutions that we were asking for a fifteen year residence for the widow. Why we were asking for that was that the veteran who was drawing war veterans allowance has to attain the age of 60, but his widow who is drawing the war veterans allowance could attain it at the age of 55, which was five years earlier.

If the minister or the government with the cooperation of this committee are figuring on considering this "Imperial" question, we will be very pleased to accept the twenty years residence for the widow. There must be a borderline drawn somewhere on this "Imperial" question if it should come into force.

I am going to have to repeat what was in the previous *Hansard* from last year. The government itself subsidized many of these imperial veterans to come to this country. They paid for their passage here. Probably the veteran himself only lived two or three years and passed on. Maybe the widow had two or three children and could not make her way back to her homeland where probably all her people were, and had to bring her children up in this country.

Many of these imperial widows' sons have been at our last war, the last war we had in 1939. So I think that the widows came to this country in good faith. They worked and paid taxes, brought up families, and were good citizens in this country. I think the widows should be brought under this

legislation because I feel that way when we are talking about 1939. This was the widows' resolution—I definitely state this—this was the resolution from the non-pensionable widows' organization.

At one time I was called up by some of the Legion heads down here on Sparks Street and asked at that time what we considered should be the period of domicile for the widows. And we said, when we drew up our resolution, that we would draw it up to leave it at the discretion of the government for the widows.

This was carried on for two or three years and then the government announced that the imperial veterans were covered, without doing anything for the widows. That was one of the biggest disappointments that we, as representatives here today, got. We really thought that the widows would be included. I do not know the percentage; I intended to ask Colonel Garneau if he were here today, if he would indicate—just tell us how many imperial widows there are who would come under this Act if it were put into effect. I do not go to the department for figures, because we have no office in which to carry on our work.

However, I think it would be a very, very, small percentage of those widows who would come under this resolution. Because our own widows—I can tell you they are going fast each year, very fast. We know it from working among them.

I hope you have a little bit of authority to show the government the necessity of doing something here. It has been suggested to me that if you do this for the widows then the next thing we will be coming and asking for is to declare England a theatre of war. But I suggest we leave it as it is for the present.

Mr. BENNETT (*Grey North*): Might I say for your information that it is estimated that there are 700 widows who would be affected, and that the total estimated cost would be \$473,000 a year.

The WITNESS: I do not think that would be such a great lot, because the widows are passing on. We have had in my own organization in the last three months eight who passed on—just in three months, and they are passing and passing on, just the same as the veterans themselves. When one goes out another one is eligible to come in.

Mr. PEARKES: Is there any information on how many of these imperial widows were born in Canada?

Mr. BENNETT (*Grey North*): I do not know, but I shall try to find it out for you.

The WITNESS: Mr. Bennett, did I hear that correctly: how many imperial widows were born in Canada?

Mr. BENNETT (*Grey North*): General Pearkes asked how many widows of imperial war veterans were born in Canada, and I said that I did not know, but that I would try to get him the information.

Mr. GREEN: Does that figure of 700 apply to the veterans who died before they were twenty years in Canada?

Mr. BENNETT (*Grey North*): Yes.

The WITNESS: Well, we are asking that this allowance be given to the widow who has been resident in this country for twenty years, because we have had widows who got to within two or three weeks before they were twenty years resident and there was nothing that could be done for them.

Mr. BROOKS: Does that include the widows of both wars?

Mr. BENNETT (*Grey North*): That is the estimated cost of implementing this recommendation (d).

Mr. BROOKS: That is the number?

Mr. BENNETT (*Grey North*): Yes, 700.

The WITNESS: If a man was in two wars, he is covered under the dual pension, so it would not make any difference there.

Mr. BROOKS: I was asking about widows because there are a good many imperial war veterans who married Canadian girls when they were out here taking courses, and I wondered if they were included as well, because a great many of them were killed.

The WITNESS: We are up to resolution (e) on this:

- (e) All veterans widows now receiving the widows allowance and who have attained the age of 70 years be granted the full amount of old age security.

Of course, this is as we stand at the present time, getting \$50 and the \$40 for old age. That is something which you hon. members have discussed in the House, that everyone in the country, irrespective of what his earnings are, should get this old age pension, even the pensioner himself through the Pension Act, but when we come to the veterans' widows the discrimination is there, that we cannot draw the two pensions together, or one allowance and one pension, because what we get at the present time is an allowance. I do not know if the government has anything in mind about that. We will have to wait until we get the full meaning of the bill and probably wait until the bill itself is passed until we know how adjustments stand.

Now we come down to resolution (f):

- (f) That the government set up a permanent committee on veterans affairs and we ask that the members of this committee be given authority to select and present to the government the problems most pressing to the veteran or his widow.

I think that for the last six or seven years we have been asking that a permanent committee be set up. It was really from the proceedings of the various veterans' organizations last year that the government brought out this new adjustment of war veterans allowance, and I have anticipated in my mind that early in January we would have heard of something definite being done instead of at this time of year, so that if there was a permanent committee it would not be necessary—I speak solely for our dominion council—that we would be running up here three or four times a year expecting to have our expenses paid. I think we would work accordingly, and that would be to the advantage of everybody.

I do not know that there is anything else. I do not know if I have omitted anything. I asked my secretary if she thought there was anything which I had omitted, but I think we have completed pretty well all we have.

The CHAIRMAN: Do you wish to say something, Mrs. Caunt?

The WITNESS: With the permission of the chairman and the minister and the hon. members I would like to thank you myself for giving me the privilege to come before you gentlemen, and I am going to ask Mrs. Caunt, who is the secretary of our dominion council, and who has come up from Toronto, if she has anything to say to you.

Mrs. L. CAUNT (*Secretary, Canadian Non-pensioned Veterans Widows*): Mr. Chairman, Mr. Minister and gentlemen, I just wish to thank the chairman for the privilege of being able to appear before this committee. We certainly appreciate the opportunity. The president has covered very thoroughly the resolutions, but there are just one or two words I would like to add about the imperial veterans' widows, the borderline cases, who had sons who served in

the second world war and received dependents' allowance. We think those ladies should receive sympathetic consideration and we do trust, gentlemen, when the amendments are being drafted, that you will give thought to that. I think that is all, because Mrs. Wainford has very carefully covered everything. I thank you, gentlemen.

Mr. GOODE: Mr. Chairman, before you say anything to the ladies, could I say that the members from British Columbia pay their respects to Mrs. Darville, who has appeared on their delegation so many times?

The WITNESS: Thank you.

The CHAIRMAN: On behalf of the committee, Mrs. Wainford and Mrs. Caunt, I wish to thank you for appearing before us again this year and making your presentation. We hope that you will be satisfied with what it is possible to do. I am glad you feel so pleased with what has been done in the bill before us and certainly I am sure every consideration will be given to your representations.

Now, gentlemen, we have the deputy minister here and we have three-quarters of an hour in which we could take a statement from him in respect to the bill which has been referred to us, and we would then have it before us to take up at our next meeting. If it is your wish I will call the deputy minister to make his statement and when that is before us we could adjourn until the next meeting. Is that agreeable?

Agreed.

Now, gentlemen, Mr. Garneau has several copies of this statement in regard to casual earnings, and if anyone wishes he can get one. There is a set of tables here which Mr. Lalonde has prepared; they will be distributed and he will indicate what they cover.

If I may say a word while these documents are being distributed—we have to pass a few moments or so—members will recall that at our last meeting we decided we could not meet until Monday at 10.30 because one of our members, whom we felt should be here, had to attend a funeral of one of our former colleagues. Now he is going to be able to fly there and get back in time to attend the meeting on Thursday. I have spoken to most of the members of the steering committee with whom I could get in touch and they were satisfied to have us meet on Thursday at 10.30 as well as Monday at 10.30. I did make inquiries about the meeting of the Committee on External Affairs to hear the Secretary of State of the United States, Mr. Dulles, and it is proposed to have that meeting of the Committee on External Affairs at 5.00 o'clock on Thursday, so our meeting would not interfere with that.

Mr. GREEN: There is a meeting called for 11.00 o'clock on Thursday morning of the Committee on External Affairs.

The CHAIRMAN: Yes, but that is an ordinary meeting.

Mr. GREEN: We have got to be there for it. The Deputy Minister of Justice will be there.

Mr. HERRIDGE: It is very important to British Columbia members on the committee.

The CHAIRMAN: I did manage to see all the members of the steering committee except Mr. Green, and I thought there would be no objection to what is being proposed, but, if there is any objection, that raises the question again. I thought we would get started on the bill this week, but if there are several members who want to attend the meeting of the Committee on External Affairs that proposed meeting will have to be washed out and we shall have to defer going any further with the matter until Monday at 10.30. So Mr. Herridge and

Mr. Green and the others who want to be present at the meeting of the Committee on External Affairs will be able to do so. We will meet therefore, as originally planned on Monday at 10.30.

Mr. BROOKS: Are we having any more delegations appear before us?

The CHAIRMAN: I have not received any further requests, except for that one suggestion I mentioned to the Steering Committee which did not come from a national organization. It was decided by the steering committee that they should be invited to send a brief but that we would not depart from our policy of hearing only representatives of national organizations. We have now heard all the organizations which have intimated their wish to appear before us and there is no reason why, as soon as we have heard from the officials with regard to the bill before us, we should not begin consideration of the bill itself. In fact that is what is really before us now, but I thought that today we should have a statement from the deputy minister after which the members could indicate to him any further information which they might like him to get ready for the next meeting, I thought we would save a great deal of time if we did that.

So I shall call on Mr. Lalonde to give his statement, and then members may indicate to him any further information which they may wish him to prepare for the next meeting.

Mr. G. L. Lalonde, Acting Deputy Minister, Department of Veterans Affairs called:

The WITNESS: Mr. Chairman and gentlemen, this is the first time I have had the honour of appearing before the committee in my new capacity and I ask your indulgence if you detect certain signs of nervousness. I feel a little bit like a lawyer appearing before the Supreme Court of Canada for the first time. However, we shall do our best to provide as clearly as possible whatever information or explanations you may require.

I do not intend to make a statement on the various clauses of the bill because I think most of them are self-explanatory and I presume they can be explained when you come to deal with the bill clause by clause. However, I think it may be useful if I were to place before the committee at this stage certain information of a more general character.

You all know the background and historical development of the Act itself and there is no need for me to go into that. However, in our study of the various aspects of the administration of this Act we have to deal with statistics and I think some of these may interest members of the committee. Sometimes it is felt that statistics are slightly boring, but I am hopeful that the data which I am placing before you now will help in giving you some additional information on certain aspects of the operation of this Act. The tables which have been distributed deal with some of the main aspects.

(See Appendix "C".)

Without going into too much detail, I would like to explain these tables to members of the committee and answer any questions which they may want to ask about this information.

The first table gives a breakdown of the number of war veterans' allowance recipients according to the war in which they served, and it is interesting to note in this table that the load of recipients of World War I has been fairly constant since 1944. We expect that this trend will continue for about ten years. It is also interesting to note that the World War II recipients are beginning to add up to a substantial number, and of course that will increase from now on.

The total number of recipients including widows and orphans is 41,487. There is a note at the bottom of the table which shows that in 1953 we had 337 cases under section 4, and in 1954 we had 1,130. On the right-hand side of this table is a list of expenditures by fiscal years. The interesting feature there is one which perhaps members have already noted—the increase in 1952-53, and then what appears to be a decrease in 1953-54. The increase in 1952-53 is actually the result of the statutory increase in rate in 1952 when some of the allowances were paid during the fiscal year 1952-53 but were applied against months included in the fiscal year 1951-52.

The CHAIRMAN: We are pretty well at the end of the fiscal year 1954-55. You will have figures which are more or less accurate for 1955, now, I presume?

The WITNESS: The numbers are as at December 31, 1954. We do not work the numbers on the basis of the fiscal year. It is the money which has to be worked out by the fiscal year.

The CHAIRMAN: So that the statement at the top of the table, giving the number of recipients as of March 31, is not correct, then?

An Hon. MEMBER: The table says "fiscal year."

The WITNESS: That was for the fiscal year 1953-54.

The CHAIRMAN: I suppose you could at the present moment bring that figure up to date.

The WITNESS: Of course we could bring that figure up to the 31st of January, 1955. I can have that done.

The CHAIRMAN: I suggest that before we put these tables in the record we get that figure completed to the latest date possible in 1955 and we shall have it all together in one table, because I think we should put this on record. It will be very useful to all members of the committee and to anyone who is studying this matter.

Mr. HARKNESS: Referring to these World War II veterans, 2,199—I am rather surprised at the number. Are these all war veterans over sixty years of age? Have you a breakdown by age?

The WITNESS: Not by age, but by the war in which they served.

Mr. HARKNESS: I thought it would be more. I was surprised that there were that number over sixty years of age.

The WITNESS: Most of them would be under sixty. They would be incapable of maintaining themselves; or they would be unemployable.

The CHAIRMAN: I suppose that by sometime tomorrow morning you could bring that up to date, and we could include it in the appendix of these proceedings. Is it agreed that for the convenience of members of the committee this item on casual earnings should be printed as an appendix to our proceedings?

Agreed. (See Appendix "A")

Mr. PEARKES: Could you also print the one about boarders?

The WITNESS: And the farm income?

The CHAIRMAN: That is a separate one. It would be good to have all that in the same proceedings. Could you Mr. Garneau, get that so that we can include it in today's proceedings.

Mr. BENNETT (*Grey North*): I would suggest that you summarize the one on boarders and lodgers, as it is fairly bulky.

Mr. GARNEAU: Just an extract of the whole thing, and the same with the farm income.

The CHAIRMAN: We will hold the printing to give Mr. Garneau a chance to include these in today's proceedings. (See Appendix "B".)

Agreed.

Mr. QUELCH: With regard to the 1,130 recipients of war veterans allowances under section 4, would those be chiefly veterans of World War II?

The WITNESS: No, World War I. They are all men over 60.

Mr. HERRIDGE: Can the deputy minister give the reason for the great increase between 1953 and 1954 in these veterans that come under section 4?

The WITNESS: You will remember that when we started in 1952 with section 4 there was a certain amount of reluctance to plunge into the unknown, if I might put it that way, and the veteran approached it with a certain amount of care. We tried to explain it as best we could in the district offices when counselling the various recipients, and I think that as a result some of them realized that it gave them a chance to supplement their income to a considerable extent. Some of them tried it out. There have been some transfers between the two sections, but in most cases, where the recipient could carry out a certain amount of regular employment he stayed under section 4. There is no doubt that it is much more advantageous to him.

Mr. GREEN: Have you any figures on the number of men receiving casual earnings?

The WITNESS: No, that is impossible to determine, because we do not ask them to report casual earnings at any time.

Mr. QUELCH: Would it be possible to get a breakdown of just what kind of employment these men are engaged in, coming back to section 4?

The WITNESS: No. The principle is that they must be able to do the type of work that is requested by the employers through the National Placement Services. In other words, they must be able to act as night watchmen for instance. That is one type of job. Or they must be able to act as caretakers. They must be capable of taking all types of employment that are not casual such as regular light employment. It would be useless for a recipient to come under section 4 if his health was such that he could only work for two days on a casual basis, and then not be able to work for a week. He would only be cluttering up the placement services. That fellow would do just as well by taking advantage of the casual earnings regulations.

Mr. QUELCH: Many of those men would be only actively engaged in employment for one, two or three months out of the year.

The WITNESS: No. Some of them have been in employment for over a year and they have not lost the benefits of the Act. In other words, they get all the other fringe benefits of the Act while working regularly.

Mr. QUELCH: Are there many of those so-called unemployable cases that come under this Act?

The WITNESS: Under section 4, no; but under the definition of casual earnings, those who are only interested in casual employment are just as well off under section 3.

Mr. QUELCH: It is surprising to me that under the definition of casual earnings there has not actually been a drop.

The WITNESS: There has been a levelling off, if I might put it that way.

Mr. GREEN: You have no figures of the number receiving casual earnings?

The WITNESS: No sir.

Mr. HERRIDGE: I would like to congratulate the department for not keeping any such figures.

Mr. GREEN: Have you any figures of the number of unemployable?

The WITNESS: I was going to deal with that problem when we came to the last table. Since we do not ask them to report their casual earnings, the only way we can verify it is through the use made of the assistance fund. That is the last table which I wanted to analyze for you.

The CHAIRMAN: Is there anything further, gentlemen, on table 1?

Mr. GOODE: Let me get that straight. You have told us that you have not got a record, and that there is no report made to you of the casual earnings?

The WITNESS: That is correct.

Mr. GOODE: How would you know whether a man was earning \$600 or \$700 a year then?

The WITNESS: If he earned more than the limit of his casual earnings then it is not casual earnings anymore, and he has to report that excess as income.

Mr. GOODE: I see, your point.

The WITNESS: Since that becomes other income, he is supposed to report that on the famous form which has been mentioned before and which he fills out every year.

Mr. GREEN: You were going to produce an application form.

The WITNESS: I think Mr. Garneau has it.

Mr. GARNEAU: No.

The WITNESS: Then it is Mr. Parliament who will bring it here for you at the next meeting. We will have it for you then. Shall I go on?

The CHAIRMAN: Yes.

The WITNESS: The next table, table 2, is for your information. It deals perhaps more with administration, in that it shows the trend in the number of applications received. Of course that is going up all the time and also the trend in the number of applications approved as against those declined or withdrawn.

You will note that the trend goes from 67.6 per cent in 1945 to 83.6 per cent for the percentage of approvals.

Mr. BROOKS: How do you account for that? Is it because the men are getting older?

The WITNESS: The men are getting older and also we are trying all the time, through our welfare services when these men come in with any kind of problem, to counsel them and to see whether they are entitled to the war veterans allowance or not. Our welfare officers will explain it to them and determine whether they may be eligible. If it is evident that they are not eligible, then they do not have to fill in an application form. Now, with respect to table 3.

The CHAIRMAN: I do not think it is necessary to put all of table 2 — in the record. What do the members think about it?

Mr. GOODE: I would like to ask this question. Under the heading of ineligible, I notice there has been a considerable difference in the percentage from 6.7 in 1944-45 down to 2.2 in 1953-54. Would that be a matter of age?

The WITNESS: That could be on account of service, where the person who applied for the allowance did not have the proper kind of service.

Mr. GOODE: I suggest to you then that perhaps the department is taking a little more sympathetic view than they did in 1944.

The WITNESS: I was not here in 1944 so I would not know. But I do know that since the end of the war the department has tried very hard to get to the veteran personally and to counsel him at all times. Moreover the district officers

know that when a veteran comes in with a problem, they are not to deal with that problem alone and show him out, but they are to see if he has not got other rights or avenues open to him. I think that has had something to do with it.

You must remember that 1943-44 must have been rather hectic for the department, because it was only getting set at that time.

Mr. FORGIE: And there was a war on too.

The CHAIRMAN: Now, Table 3.

The WITNESS: Table 3 is very interesting. It shows the age groups of the recipients. You will note that for the veterans themselves there are 4,717 under 60 years of age. Those veterans are unemployable or incapable of maintaining themselves. Then between the ages of 60 and 64 there are 7,686; between the ages of 65 and 69, there are 9,035; and between the age groups of 70 and 74, there are 6,815. So the World War I veterans are approximately equally divided in these age groups. That is why I said at the beginning that we expected that the present trend would last for another 10 years at least.

Of course the widows become eligible at 55, so while there is a large group under 60 that includes the group between 55 and 60. And again the total is equally divided between three age groups.

By Mr. Green:

Q. In which age group would those who are taking advantage of section 4 come?—A. 60 and over.

Q. Can you break that down further into 60 to 64 or 65 to 69?—A. I do not know if I have that.

Q. You must have that because you have lumped those sections 3 and 4 together.

The CHAIRMAN: You have in mind separating 3 and 4?

Mr. GREEN: Yes.

The WITNESS: Between 60 and 64 there are 366. Between 65 and 69, a little over 400. Between 70 and 74, 160.

By Mr. Green:

Q. That is the highest group there?—A. No. There are 28 between 75 and 79 and 5 between 80 and 84.

Q. Then do you have any figures to show the numbers who are unemployable in these groups?—A. I am afraid I could not give you that, Mr. Green, because we do not have a breakdown of those who receive the assistance fund. It is those who are unemployable who get the assistance fund and I do not believe I can give you a breakdown in age group on that.

Q. All the veterans under 60 would be unemployable?—A. Yes, or incapable of maintaining themselves.

Mr. BROOKS: Otherwise they would not be there?

The WITNESS: Yes.

By Mr. Green:

Q. There must be quite a few now in the age group over 60 who qualified in the first place as unemployable and presumably would still be unemployable?—A. That could be if they advanced in age, but the difficulty there is that sometimes unemployables have other incomes but not necessarily earnings. The only way we can know definitely that those with no other income are unemployable is when they come under the assistance fund. If those who are unemployable have other incomes, this brings them up to the ceiling, and we have

no way of knowing whether they are unemployable or not. After they reach 60 they are all under section 3.

Q. Do you have figures of those who have no other income?—A. Some of them may have no other income and yet be capable of earning.

Mr. PEARKES: Would not that be shown in your table 6?

The WITNESS: There are 13,000 veterans who have no accountable income, no other income declared, but that includes those who can earn. So I cannot tell you how many of those 13,000 are both unemployable and without other income.

Mr. GREEN: 13,000 with no other income were drawing the full allowance?

The WITNESS: Yes, sir.

The CHAIRMAN: That is not in table 6?

The WITNESS: No.

The CHAIRMAN: Is a combination of some other figures included in table 6?

The WITNESS: No. That is other information. I have voluminous statistics which I do not want to inflict upon the committee.

By Mr. Harkness:

Q. Under what circumstances are widows paid the married rates?—A. Where they have a child or children.

Q. That does not apply to all those widows having a child or children?—A. All widows who are eligible and have a child residing with them.

Q. Is it not between the ages of 16 and 17?

The WITNESS: 16 for a boy and 17 for a girl.

Mr. GARNEAU: Up to 21 if they are going to college or school. It is the same as under the Pensions Act.

Mr. GREEN: I take it that the average age of veterans of the first war would be somewhere between 65 and 66?

The WITNESS: Between 65 and 70 would be the average age of the recipients.

The CHAIRMAN: What is the thought of the committee in respect to table 3?

Mr. BROOKS: They have gone to a lot of trouble in preparing these tables and there is a lot of information in them.

The CHAIRMAN: If the committee wishes that it go in, all right, but I thought that it was not necessary to put the whole table in.

Mr. GREEN: Mr. Lalonde has given evidence explaining how those tables should be read.

The CHAIRMAN: Then is it carried that table 2 goes in and table 3 should go in?

Carried.

The WITNESS: Table 4, gentlemen, is again for information and deals with the treatment given to war veterans allowance recipients.

By Mr. Carter:

Q. Could Mr. Lalonde explain that sharp rise in the number of tubercular and mental cases? Right after 1949 it jumps up quickly. Between 1949 and 1950 both the tubercular and mental cases rise sharply.—A. I am afraid I do not know why there was that particular increase there, but as a matter of fact the incidence of tuberculosis in the D.V.A. hospitals has gone down since then. But, mind you, these people are not all treated in D.V.A. hospitals. Some of them are in sanatoria and are paid for by the department. In Newfoundland you have a few of those.

Q. I am wondering about the marked increase there and I thought there might be some explanation.—A. I will have to consult the treatment officials for that information.

By Mr. Quelch:

Q. Could you explain when a war veteran allowance recipient goes to hospital the amount that is continued and the amount that is held back?—A. I think you have to make a distinction between a married and a single man.

Q. I was thinking of a married man?—A. I think I would like the chairman of the board to answer that question.

Mr. GARNEAU: Mr. Chairman, when a single man goes into hospital for treatment by the department at the expense of the department we continue the allowance to him for three months; it is limited to three months and after that it is suspended entirely. In other words if he is in hospital for over three months, then the allowance is suspended, otherwise he continues to receive it. During that time the amount he was entitled to receive during that period is placed in a trust fund.

When a married veteran goes into hospital there is a token deduction made. The allowance is not suspended entirely as is mandatory in the case of a single recipient after three months. There is a token deduction made from his allowance generally in the amount of \$5 out of \$90, in accordance with section 14 of our Act, and the balance continues to be paid directly to his family during his treatment. As I have said, it is merely a token deduction, keeping in mind that it probably costs the department in the vicinity of \$10 a day for the man's treatment during that time. Does that answer your question?

Mr. QUELCH: Yes.

Mr. WESELAKE: Would Mr. Lalonde have any idea of the total cost of treatment furnished to war veterans allowance recipients?

The WITNESS: In 1954 it was in the vicinity of \$9 million.

Mr. GOODE: Mr. Chairman, I would like to ask a question in regard to that three months. Is that a constant deduction; you never deviate; you do not take two months off one man and three months off another? It is always constant?

Mr. GARNEAU: Yes, it is always constant. Actually it is not a deduction but a period during which payment of allowance is permitted during hospitalization.

By Mr. Weselak:

Q. You referred after three months to the money being put in a trust fund. Is that money available?—A. The money is not paid directly to him while he is in hospital. That is paid, you might say, to the district office which holds the money for him until he comes out. The purpose of that being to ensure, if he is renting a room or occupies quarters or if he needs clothing, when he comes out that he has a nest-egg which will provide him with the necessities.

Mr. WESELAKE: It is paid to him eventually?

The WITNESS: When he comes out.

The CHAIRMAN: I have looked over these tables and it now seems to me in view of what has been said that all of these tables should go into the record of these proceedings.

Mr. GREEN: We shall be able to ask more questions at the next meeting?

The CHAIRMAN: Certainly. The war veterans' allowance casual earnings directive table will also go into the record together with a summary of the other directives on the same matter.

We shall now adjourn until Monday at 10.30 a.m.

APPENDIX "A"

WAR VETERANS ALLOWANCE BOARD
Daly Building

OTTAWA 2, December 11, 1953.

W. V. A. B. Directive No. 25-1953

The Chairman,
W.V.A. District Authority,
Department of Veterans Affairs.

Re: CASUAL EARNINGS

The Board has made a study of all cases which have been submitted by the District Authorities in accordance with W.V.A.B. Directive No. 17-1953 as amended and the Chairman's letter dated August 24, 1953. As a result of this study the following instructions, which will supersede previous directives on the subject, are issued to cover all types of cases and the District Authorities can now deal with them on the basis of the formula outlined hereunder.

Casual earnings exempted as income by Sec. 6.(d) of the War Veterans Allowance Act in respect of recipients under Sec. 3 of that Act fall into four principal categories.

- (a) Earnings by a recipient and/or his wife for work of an irregular nature commonly termed "odd jobs", i.e. small jobs complete in themselves for one or more employers.

These earnings are fully exempt.

- (b) Earnings by a recipient and/or his wife resulting from part-time regular employment such as a caretaker for a church or school, a canteen attendant, a crossing guard, self-employment at home on a part-time basis, etc.

Earnings under this category may be exempt in an amount which will not exceed an average of two dollars per diem for 25 working days in any month.

- (c) Earnings by a recipient and/or his wife resulting from full-time temporary employment of limited duration such as at summer camps, guard duties, collecting tickets at race tracks, replacing a regular employee on holidays, harvesting or other similar activities of relatively short duration.

Earnings under this category may be exempt for a period or periods of employment which do not exceed a total of 12 weeks in any V.A. year. Where such period or periods exceed 12 weeks in the V.A. year only the amounts earned during the first 12 weeks may be exempt and the other earnings will be considered as income.

The District Authorities will suspend payment of the War Veterans Allowance as soon as full-time employment is reported by a recipient and will make the necessary adjustments in accordance with the above principles when such employment is terminated.

- (d) A remuneration earned as a result of some isolated deal such as receiving a commission for helping sell or buy a property of or for a friend, provided such transaction is unusual, personal and direct between the recipient and the person concerned and not performed as an agent or sub-agent of a real estate firm or dealer.

Earnings under this category are fully exempt.

There may be some exceptional cases which the present Directive does not appear to cover. If so, District Authorities should refer such cases, with full particulars, for decision by the War Veterans Allowance Board.

Cases which have been decided in accordance with former Directives and which, if dealt with under the present Directive, could be changed, may be reviewed, providing no adjustment shall be made for deductions on account of earnings prior to September 1st, 1953.

F. J. G. GARNEAU,
Chairman.

APPENDIX "B"

WAR VETERANS' ALLOWANCE BOARD

OTTAWA, March 16th, 1955.

Memorandum to:

Mr. W. A. Tucker, Q.C., M.P.,
Chairman,
Parliamentary Committee on Veterans Affairs.

Pursuant to the request of the Parliamentary Committee on Veterans Affairs at its session of March 15th 1955, I have the honour to submit the following statement regarding the Board's policy with respect to assessment, for the purposes of the Act, of

(a) Income from Farms; (b) Income from Rentals.

(a) *FARM INCOME*—(Ref.: W.V.A.B. Directive No. 6-1954)

Under W.V.A.B. Directive No. 6-1954 dated May 3rd, 1954, the situation regarding income from farms was reviewed.

For the purpose of determining the income of an applicant or recipient engaged in farming operations, a graduated scale of computation of income, for the purposes of the Act, in relation to gross revenue from a farm was deemed to be fair and equitable.

The policy hereinafter set forth is in effect. It applies to all types of farming including grain growing, mixed farming, poultry and dairy activities as well as stock raising.

The assessment formula now in use is as follows:—
Assess as Income:—

- 25% of the first \$1,000 of gross farm income, or fraction thereof;
- 40% of the next \$1,000 of gross farm income, or fraction thereof;
- 50% of the balance of the gross income.

The value of perquisites is *not* taken into account.

Alternative

As an alternative, but only if the recipient claims that the above mentioned formula is unfair to him, District Authorities may consider such cases on the basis of actual operational expenses against gross revenue. This procedure is however subject to the following:—

- (a) The burden of evidence is the responsibility of the claimant; in other words he must submit acceptable evidence of legitimate expenses related to production.
- (b) In case of any doubt on the part of the District Authority, the comparative statement of gross revenue and legitimate expenses, duly supported by accounts, vouchers, etc., will be submitted to the Veterans Land Act representative for examination and verification following which the V.L.A. representative will give to the District Authority an opinion regarding the merits of the case. The District Authority shall then consider the Veterans Land Act representative's report in making its decision.
- (c) District Authorities will not admit claims by recipients that the farm stock or equipment belong to children who are still regarded as dependents under the War Veterans Allowance Act. In the case of non-dependent children, such claims will be considered only if and when supported by acceptable proof of actual ownership.

(b) INCOME FROM RENTALS

W.V.A.B. Directive No 18-1954 dated November 17th, 1954, was issued for the purpose of explaining provisions of section 10. (3) of the War Veterans Allowance Regulations. This Regulation reads as follows—

10. (3) For the purpose of determining the amount of income where the recipient or his spouse receives remuneration for providing board and lodging or board or lodging to any person, the District Authority shall regard as income of the recipient such part thereof as may be calculated to represent the difference between the cost to the recipient or his spouse and the remuneration so received.

The Directive provides that where it is not possible to determine the actual cost to the recipient or his spouse", District Authorities may take the following as a guiding rule for determining the "cost to the recipient":—

Room only—\$15 per month per room, where the recipient is responsible for the full furnishings of the room.

Room only—\$10 per month per room, where the recipient is not responsible for furnishings of the room.

Board only—\$35 per month per person.

Room and Board—\$50 per month per person.

In addition, an exemption of \$50 per month from income from rental room or rooms is permissible in the case where labour in the nature of full housekeeping duties by the recipient or his spouse is involved in the upkeep of the rented premises. Such labour may be regarded as "self-employment at home on a part-time basis" as provided by the Board's Directive regarding "Casual earnings".

F. J. G. GARNEAU,
Chairman.

APPENDIX "C"

EXPENDITURES BY FISCAL YEARS

<i>Fiscal Year</i>	<i>Expenditure</i>
1934-44	\$ 6,879,600.73
1944-45	9,216,363.81
1945-46	10,093,405.37
1946-47	11,804,067.90
1947-48	14,369,993.57
1948-49	19,741,229.19
1949-50	20,018,195.64
1950-51	22,923,331.95
1951-52	23,544,759.50
1952-53	27,159,689.80
1953-54	26,846,086.98
TOTAL	\$92,596,724.44

TABLE 1

WAR VETERANS ALLOWANCES

1944-1954

NUMBER OF RECIPIENTS AS AT 31 MARCH BY WAR OF SERVICE
OUT OF WHICH ELIGIBILITY ARISES

Year	Veterans by Wars					Widows	Orphans Accounts	Total
	NWFF	S.A.	W.W. I	W.W. I and W.W. II	W.W. II			
1944			23,848			1,277		25,125
1945	95	403	23,703	38	19	2,157	12	26,427
1946	116	399	24,291	148	76	3,249	33	28,312
1947	109	393	25,366	192	183	4,243	46	30,532
1948	98	318	22,267	242	472	4,902	58	28,357
1949	80	333	22,911	274	801	5,816	68	30,283
1950	60	336	24,765	337	1,145	6,606	75	33,324
1951	51	714	27,908	402	1,533	7,913	79	38,600
1952	40	654	26,427	398	1,618	8,736	86	37,959
1953	29	622	26,960	484	1,910	9,684	104	39,793
1954	24	600	27,294	533	2,199	10,706	131	41,487
1955 (January)	21	601	29,619	581	2,557	11,652	123	44,154

In addition under Section 4 W.V.A. there were:

1953..... 337 cases

1954..... 1,130 cases

TABLE 2

WAR VETERANS ALLOWANCES

FISCAL YEARS 1943-44 TO 1953-54

DISPOSITION OF NEW APPLICATIONS AND APPLICATIONS FOR RE-INSTATEMENT

Fiscal Year	Appli- cations Received	Approved		Declined		Ineligible		Withdrawn	
		No.	%	No.	%	No.	%	No.	%
1943-44.....	3,164	2,289	72.3	787	24.9	64	2.0	24	0.8
1944-45.....	4,036	2,841	70.4	856	21.2	269	6.7	70	1.7
1945-46.....	5,208	3,519	67.6	1,270	24.4	290	5.6	129	2.4
1946-47.....	5,820	4,160	71.5	1,322	22.7	240	4.1	98	1.7
1947-48.....	6,735	5,042	74.9	1,395	20.7	187	2.8	111	1.6
1948-49.....	9,224	7,341	79.6	1,548	16.8	243	2.6	92	1.0
1949-50.....	11,887	9,384	78.9	2,117	17.8	278	2.3	108	1.0
1950-51.....	12,702	9,818	77.3	2,369	18.6	375	3.0	140	1.1
1951-52.....	12,164	9,772	80.3	1,933	15.9	284	2.4	175	1.4
1952-53.....	13,623	11,044	81.1	2,100	15.4	327	2.4	152	1.1
1953-54.....	13,711	11,455	83.6	1,769	12.9	307	2.2	180	1.3

TABLE 3

WAR VETERANS ALLOWANCES

NUMBER OF RECIPIENTS ACCORDING TO AGE GROUPS AS AT 31 DECEMBER 1954

Age Group in 1955	Number of Veterans			Total Number of Widows		
	Sections 3 and 4		Total Veterans	Paid at Single Rates	Paid at Married Rates	Total Widows
	Paid at Single Rates	Paid at Married Rates				
Under 60.....	1,610	3,107	4,717	1,904	852	2,756
60-64.....	2,927	4,759	7,686	2,409	163	2,572
65-69.....	3,560	5,475	9,035	2,436	50	2,486
70-74.....	2,829	3,986	6,815	1,977	31	2,008
75-79.....	1,613	1,819	3,432	1,080	7	1,087
80-84.....	682	559	1,241	471	4	475
85-89.....	193	100	293	112	.....	112
90 and over.....	38	17	55	24	.....	24
Total.....	13,452	19,822	33,274	10,413	1,107	11,520

TABLE 4
WAR VETERANS ALLOWANCES
INCIDENCE OF TREATMENT FOR NON-PENSIONED CONDITIONS
FOR WAR VETERANS ALLOWANCES
RECIPIENTS UNDER SECTION 12 V.T.R.

Calendar Year	Average Number of Veteran Recipients	Average Number Hospitalized	% of Total Hospitalized	General Treatment		Tuber- culous		Mental	
				No.	%	No.	%	No.	%
1949.....	25,129	2,073	8.2	1,213	58.5	241	11.6	619	29.9
1950.....	27,932	2,375	8.5	1,155	48.6	336	14.2	884	37.2
1951.....	30,828	2,558	8.3	1,207	47.2	370	14.5	981	38.3
1952.....	29,444	2,500	8.5	1,162	46.5	380	15.2	958	38.3
1953.....	30,283	2,530	8.4	1,185	46.8	383	15.2	962	38.0
1954.....	31,140	2,544	8.2	1,178	46.3	374	14.7	992	39.0

TABLE 5
WAR VETERANS ALLOWANCES
DEATH OF RECIPIENTS—1950 to 1954

Year	Veterans			Widows		
	Average Number of Recipients	Number of Deaths	% of Deaths for Year	Average Number of Recipients	Number of Deaths	% of Deaths for Year
1950.....	27,932	1,669	5.98	6,925	164	2.37
1951.....	30,828	2,126	6.90	8,173	207	2.53
1952.....	29,444	1,561	5.30	8,946	200	2.24
1953.....	30,283	2,236	7.38	9,981	286	2.87
1954 (to November).....	31,140	1,868	6.00	10,967	277	2.53

TABLE 6
WAR VETERANS ALLOWANCES
ASSISTANCE GRANTED TO RECIPIENTS FROM THE ASSISTANCE FUND (W.V.A.)
FROM INCEPTION TO 31 JANUARY 1955

Period	Veterans		Widows		Expend- itures
	Number Assisted	Number Refused	Number Assisted	Number Refused	
1949-50.....	6,036	1,775	1,779	610	\$ 562,826.95
1950-51.....	6,673	880	1,992	229	731,822.75
1951-52.....	8,202	762	2,332	221	909,642.49
1952-53 (to 31 July (a)).....	4,140	174	1,536	65	218,261.75
1952-53 (August to March)....	1,581	275	609	89	102,739.36
1953-54.....	3,160	248	1,280	89	347,460.87
1954-55 (to January 1955).....	3,757	213	1,531	80	393,533.71

NOTE: (a) During the fiscal year 1952-53 because of amendment to the Act all Assistance Fund payments were stopped on 31 July.

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Canada, Veterans Affairs
Special Committee on, 1955

(HOUSE OF COMMONS

Second Session—Twenty-second Parliament

1955)

(SPECIAL COMMITTEE

ON

VETERANS AFFAIRS

Chairman: W. A. TUCKER, Esq.)

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 4

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BILL 164

An Act to amend the War Veterans Allowance Act, 1952.

MONDAY, MARCH 21, 1955

WITNESSES:

Mr. G. L. Lalonde, Acting Deputy Minister of Veterans Affairs, Mr. F. J.
G. Garneau, Chairman, War Veterans Allowance Board, and Mr. G.
H. Parliament, Director General, Veterans' Welfare Services.

EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1955.

SPECIAL COMMITTEE
ON
VETERANS AFFAIRS

Chairman: W. A. Tucker, Esq.

and

Messrs.

Balcom,	Gauthier (<i>Portneuf</i>),	Murphy (<i>Westmorland</i>),
Bennett (<i>Grey North</i>),	Gillis	Pearkes,
Brooks,	Goode,	Philpott,
Cardin,	Green,	Quelch,
Carter,	Hahn,	Roberge,
Cavers,	Hanna,	Tucker,
Croll,	Harkness,	Weaver,
Dickey,	Henderson,	Weselak,
Dinsdale,	Herridge,	White (<i>Hastings-</i>
Enfield,	Johnson (<i>Kindersley</i>),	<i>Frontenac</i>)—31.
Forgie,	MacDougall,	

Eric H. Jones,

Clerk of the Committee.

ERRATA (*English Edition only*)

Minutes of Proceedings and Evidence, No. 3, dated March 15, 1955

Page 75: In Appendix "C", under *Fiscal Year*, in line 1, for the figures "1934-44" substitute "1943-44".

In TABLE 1, under W.W.I, in the last line, for the figures "29,619" substitute "28,619".

MINUTES OF PROCEEDINGS

MONDAY, March 21, 1955.

The Special Committee on Veterans Affairs met at 10.30 o'clock a.m. this day. Mr. Walter A. Tucker, Chairman, presided.

Members present: Messrs. Balcom, Bennett (*Grey North*), Brooks, Carter, Cavers, Croll, Dinsdale, Forgie, Gillis, Goode, Green, Hahn, Hanna, Harkness, Henderson, Herridge, Johnson (*Kindersley*), MacDougall, Murphy (*Westmorland*), Philpott, Quelch, Weaver and Weselak.

In attendance: Mr. G. L. Lalonde, Acting Deputy Minister; Mr. G. H. Parliament, Director General, Veterans' Welfare Services; Mr. W. Gunn, Q.C., Director of Legal Services; Mr. F. L. Barrow, Secretary; Mr. E. J. Rider, Research Adviser, and Mr. C. N. Knight, Secretary, Assistance Fund, (W.V.A.) Committee, all of the Department of Veterans Affairs. Also Mr. J. L. Melville, Chairman, Canadian Pension Commission, and Mr. F. J. G. Garneau, Chairman, War Veterans Allowance Board.

The Committee resumed consideration of Bill No. 164, An Act to amend the War Veterans Allowance Act, 1952.

The examination of Mr. Lalonde was continued on the statistical data tabled on March 15th which is at Appendix "C" to the minutes of proceedings and evidence of that day. Mr. Garneau and Mr. Parliament answered questions specifically referred to them.

Mr. Lalonde laid on the Table a departmental form entitled *Application for Assistance under Assistance Fund (W.V.A.)*, copies of which were distributed to members of the Committee. Mr. Lalonde explained the purpose and use of the form.

Mr. Parliament was called and read a statement on *Living Allowances for Needy Older Persons—Standards, as related to the administration of the Assistance Fund (W.V.A.)*.

At 12.30 o'clock p.m., the Committee adjourned to the call of the Chair.

EVENING SITTING

The Special Committee on Veterans Affairs met at 8.00 o'clock p.m. this day. Mr. Walter A. Tucker, Chairman, presided.

Members present: Messrs. Balcom, Bennett (*Grey North*), Brooks, Carter, Cavers, Croll, Dickey, Dinsdale, Forgie, Gauthier (*Portneuf*), Gillis, Goode, Green, Hahn, Hanna, Harkness, Henderson, Herridge, Johnson (*Kindersley*), MacDougall, Murphy (*Westmorland*), Pearkes, Philpott, Quelch, Roberge, Weaver, Weselak and White (*Hastings-Frontenac*).

In attendance: Same as are shown in attendance at the morning sitting, excluding Mr. J. L. Melville.

The Committee resumed consideration of Bill No. 164, An Act to amend the War Veterans Allowance Act, 1952.

The Chairman presented the Third Report of the Sub-committee on Agenda and Procedure as follows:

Your Sub-committee met at 12.30 o'clock p.m., on Monday, March 21, 1955, with the following members present: Messrs. Bennett (*Grey North*), Brooks, Gillis, Green, Quelch and Tucker, and agreed to recommend:

That the Committee continue the hearing of departmental officials and then proceed with a clause by clause consideration of Bill No. 164, at meetings to be held as follows:

Monday, March 21st at 8.00 o'clock p.m.

Thursday, March 24th at 8.00 o'clock p.m.

Friday, March 25th at 3.30 o'clock p.m.

Monday, March 28th at 10.30 o'clock a.m. and at 8 o'clock p.m.

Tuesday, March 29th at 3.30 o'clock p.m.

Thursday, March 31st at 8.00 o'clock p.m.

Friday, April 1st at 10.30 o'clock a.m.

All of which is respectfully submitted.

On motion of Mr. Croll, the said report was adopted.

Mr. Garneau was called and laid on the Table two departmental forms entitled *Declaration of Income and Assets* and *Assistant Fund (W.V.A.) Welfare Officer's Report*, copies of which were distributed to members of the Committee.

On motion of Mr. Green,

Ordered,—That the said forms be printed as appendices to this day's minutes of proceedings and evidence. (*See Appendices "A" and "B"*).

Mr. Parliament read a memorandum entitled *Information for You about the War Veterans Allowance Assistance Fund*, printed in English and French, which has been distributed periodically to all recipients of war veterans' allowance.

Messrs. Lalonde, Garneau and Parliament were examined on the purposes and use of the two forms and the memorandum above-mentioned, and on the statement read by Mr. Parliament at the close of the morning sitting this day.

The Chairman then called clause 1 of Bill No. 164, An Act to amend the War Veterans Allowance Act, 1952.

Whereupon Mr. White moved, seconded by Mr. Green,

That the Committee recommend that the Government give consideration to introducing legislation during the present session of Parliament which will provide that the maximum of total income, as set out in Section 1 of Schedule "A" to Bill 164, be increased to \$1200, and

That in Sections 2 and 3 of said Schedule "A" the monthly rate be increased to \$120, and the maximum total income be increased to \$2,000.

The Chairman ruled the said motion out of order. (*See this day's evidence*).

Following debate, Mr. White appealed the ruling of the Chair. The said ruling was upheld on a recorded vote:—

Yeas: Messrs. Balcom, Bennett (*Grey North*), Carter, Cavers, Dickey, Forgie, Gauthier (*Portneuf*), Gillis, Goode, Hanna, Henderson, Herridge, Johnson (*Kindersley*), Murphy (*Westmorland*), Philpott, Quelch, Roberge, Weaver and Weselak—19.

Nays: Messrs. Brooks, Dinsdale, Green, Harkness, Pearkes and White (*Hastings Frontenac*)—6.

On motion of Mr. Philpott, seconded by Mr. Roberge,

Resolved,—That the Committee do now proceed to consider Bill No. 164, clause by clause.

The Chairman, having again called clause 1 of the Bill, Mr. Green moved adjournment. The question being put, it was resolved in the affirmative.

At 9.58 o'clock p.m., the Committee adjourned to meet again at 8.00 o'clock p.m., Thursday, March 24, 1955.

Eric H. Jones,
Clerk of the Committee

EVIDENCE

MONDAY, March 21, 1955.

10.30 A.M.

The CHAIRMAN: I see a quorum, gentlemen. If you will come to order we will proceed.

My attention has been called to two printing errors in the appendices on page 75 of the minutes of proceeding and evidence No. 3 which you have in front of you. In Appendix "C" there is an obvious mistake. The first item is 1934-44. It should be 1943-44. And then in Table 1, 1955 (January) under the heading W.W.I., it gives the figure 29,619. That should be 28,619.

These tables were laid before the committee at the last meeting but have been brought up to date by putting in 1955 to January to bring us as closely up to date as possible.

Now, I think the understanding was that the deputy minister, Mr. Lalonde, would make a further statement in the matter and answer questions of the committee.

Mr. G. L. Lalonde, Acting Deputy Minister, Department of Veterans Affairs, called:

The WITNESS: Mr. Chairman and gentlemen, arising out of the last meeting, there were a few items that I was to check and on which I was to bring back some answers.

For one thing I said that we would distribute a copy of the application for the assistance fund. This is the yellow form which has just been handed to you. You will note that the part that the veteran or the widow has to fill out is the top part alone.

I wonder if there are any questions on that, Mr. Chairman?

Mr. WESELAKE: I see there are no questions on this form as to distress. I presume it is followed up by an interview?

The WITNESS: That is right.

The CHAIRMAN: Would you proceed, Mr. Lalonde, and explain what happens when this application is put in, how it is handled.

The WITNESS: When the recipient of the war veterans allowance requests assistance under the fund he fills in that part of the form and hands it over to the district officials. They immediately send a welfare officer to inquire into the circumstances of the applicant. The welfare officer makes out a report which he refers to the district assistance fund committee and that committee makes a decision on whether or not that person is eligible for the assistance. The lower part of this form shows the decision made by the district assistance fund committee based on the information given by the welfare officer.

By Mr. Carter:

Q. On that point do not these welfare officers get somebody else very often to make that investigation instead of doing it themselves?—A. In some provinces, where communications are difficult and the question of time enters into the picture, we sometimes ask our settlement officers who work for the Veterans Land Act in outlying areas to carry out the investigation for the welfare

services. I think that happens in Newfoundland. It also happens in the northern part of Alberta. I think, in some areas in British Columbia, where it is difficult to send a welfare officer every time we have an investigation to make. This would be costly and would take time, and in those cases, when we have an employee of the department on the spot, we ask him to do the investigation.

Q. Do you not sometimes have provincial employees do that also?—A. I will ask Mr. Parliament to answer that. I think what Mr. Carter is getting at is the practice which is carried out in Newfoundland. I will ask Mr. Parliament, director general of welfare services, to explain to you why this happens in that case.

Mr. G. H. PARLIAMENT (*Director General, Veterans' Welfare Service*): Mr. Chairman, owing to the isolated condition of the areas in Newfoundland, we do use the provincial welfare officers to make a report. It still goes back to the committee, and we make the decision in the district.

Mr. CARTER: After that is done, are these cases ever investigated further by our welfare officers? After we have found them and the provincial man has made a report on them, do we ever go back and contact them and take up that report?

Mr. PARLIAMENT: We do, when the welfare officer is in that area. Probably Mr. Carter realizes that we can only get around about once a year to some of the outposts, and then we do follow up these cases.

Mr. GOODE: This "year" which you mentioned—is there no opportunity of an appeal if a veteran is, in the first instance, refused? Is the committee to understand that it takes a year for an officer to get around to him, and that there will be no opportunity for an appeal during that period?

Mr. PARLIAMENT: The veteran has a right to appeal when the decision is made, if it is an adverse decision. I understood from Mr. Carter's question that he wanted to know if we could get around to these isolated posts in Newfoundland. We can only go by boat. We generally leave in the R.C.M.P. boat during the month of July.

Mr. GOODE: In northern British Columbia I happen to know that the deputy minister is correct in his answer, because I am concerned with one case now which was investigated by a social welfare person in the northern Cariboo. There is going to be no time for one of our officers to be there, because the road is closed there now. You refused that case. No officer of your department will have the opportunity of seeing him for several months. Am I to understand that he will have no chance of successfully appealing until your official appears?

Mr. PARLIAMENT: No, he can appeal by letter. The matter will be dealt with immediately.

Mr. QUELCH: What responsibility if any, is assumed to rest with a relative who gives assistance to a veteran? I have in mind that a veteran might make an application for assistance, and when an investigator is sent down it may turn out that some relative, for example a sister or a brother, has been giving help to this veteran on account of his distress. Would it be considered that that contribution should be continued or would it be recognized that the relative was not under any obligation to give such assistance and might not be in such financial circumstances as to be able to continue it?

Mr. PARLIAMENT: I do not know what the particular circumstances would be. If the party was living with the veteran—is that what you have in mind?

Mr. QUELCH: No. The veteran might be in a situation of distress and his sister, perhaps, might know of these circumstances and might be making a contribution even though she was not in financial circumstances which would

justify her doing so. Would your opinion be that such assistance should be continued? Do you consider that the relative is under an obligation in that respect?

Mr. PARLIAMENT: Not in that particular case you have mentioned.

Mr. HAHN: Would you say that the relative is under an obligation at any time?

Mr. PARLIAMENT: Do you mean a legal obligation?

Mr. HAHN: No, I mean an obligation to give assistance any time.

Mr. PARLIAMENT: No. For the purposes of the assistance fund, no. The point I particularly raised was whether the party was living in the home. One would expect a person living in the home to make the ordinary contribution which a son or a daughter would make.

Mr. HERRIDGE: I take it the committee may discuss things in a general way today. I have a veteran in my constituency who has been to Shaughnessy Military Hospital several times. They have done everything possible for him, but he has a certain lung condition in consequence of which they have advised him to live in a dry climate. He is now in Mexico City. In my opinion, as I have stated before, I think these veterans who are recommended for health reasons to live outside of Canada should continue to receive the allowance. Can Mr. Parliament inform the committee whether he has any idea of the number of veterans who, to his knowledge, come within that category and are living outside Canada?

The WITNESS: I do not know, Mr. Herridge whether I can answer that question perfectly. I can only give you the statistics which we have. We have contacted all our districts and asked them to study the files of all recipients who have left Canada to go anywhere else while they were recipients, and who have so notified the districts. We have no way of knowing whether there are others who have left Canada but have not notified us. For the period from the first of April, 1954 to 31st of December, 1954, the numbers of recipients who have left Canada total 71 veterans and 115 widows. Of these 71 veterans, 21 went to the United States, 46 to the United Kingdom, one to Belgium, one to France, one to Holland and one to South Africa. Of the widows 46 went to the United States, 68 to the United Kingdom and one to New Zealand. Breaking this down further—of the veterans, 33 were away for less than three months and received full allowances.

Mr. HERRIDGE: On their return?

The WITNESS: That is right. 24 were away for between three to six months and received three months allowances. Five never returned to Canada, and nine are still away. Of the widows, 53 were away for less than three months, 43 were away for between three and six months, and three were away for periods over six months. One failed to return to Canada and 15 are still away. By studying the files again, the districts were able to give us the reason for their leaving Canada. The information was taken from correspondence received in the district or from interviews with veterans or their widows. In the case of veterans, 69 out of 71 went on a holiday visit; one went because of the health of his wife, and one in order to secure employment. Of the widows, 114 left on holiday visits and one for reasons of health. As I said, these figures relate to the people who actually notified us that they were leaving Canada. These are the details appertaining to those cases. I would not know about other cases in which people either did not go away because they were afraid of losing the allowance, or did not report to us.

Mr. HERRIDGE: I thank the deputy minister for his careful analysis of the figures. They are most interesting, and the numbers involved are surprisingly

small, so far as I can see. Would the deputy minister say it was a fact that very few veterans have to leave Canada for health reasons?

The WITNESS: I do not think, Mr. Herridge, that it would be fair to ask me to draw a conclusion from cases of which I have no knowledge. I can only draw conclusions from figures which I have quoted, based on actual reports from the districts. I know of no other cases where we have been asked at Head Office to approve the absence of individuals from Canada for more than three months. These cases have all been dealt with in the districts.

The CHAIRMAN: The number of recipients for tuberculous conditions in 1954 was 374. So most of the possible applicants for allowances to live outside of Canada on account of lung conditions would presumably come from that group, would they not?

The WITNESS: I doubt it very much, Mr. Chairman, because I think that most requests to go out of Canada would come from those who are not in hospital. I have never heard of any requests coming from veterans who are in hospital, to leave the hospital and go to another country.

By Mr. Herridge:

Q. In the case I mentioned, the man had said that he had been in hospital several times, and they had admitted that they could do nothing for him. He needed to go to a place with a high elevation, and as Mexico was considered suitable, he went there.—A. How long ago?

Q. About two months ago.—A. He might be the very one reported here as away on account of health.

Mr. HERRIDGE: The present figures would indicate that to take care of these men would be a very small expense indeed. It seems to me tragic that a man who cannot live satisfactorily in Canada and has to go to another country must lose his war veterans allowance, when there are so few cases, and the expense would be so small.

Mr. BENNETT: I think that is a matter of policy.

The WITNESS: I was not going to say anything.

The CHAIRMAN: The committee will bear in mind that the deputy minister should not be asked to comment on any change in policy. If you have any matter like that, it should be dealt with by Mr. Bennett or the minister, when he is here.

Mr. HERRIDGE: I was only going to deal with it by implication.

By Mr. Gillis:

Q. I should like to follow that up a little. I am not very anxious about people who want to go away on a vacation, although that is desirable if it is permissible; I would not argue it too strongly. But I have heard of many cases like that who were refused permission to go out because of reasons of health. Some were cases of men with osteo-arthritis of the spine, and living in Canada during the winter months was very hard on them. The doctor recommended that three of them should be given permission during the winter months to go to a warmer climate where they could live more comfortably, but this was refused. I should like to ask the deputy minister if his department is considering making the regulations flexible enough, at least where a case like that is recommended by competent medical authorities to go outside the country for a few months during winter, to give consideration to such applications. The department knows the conditions, and if a doctor outside makes a recommendation like that, I think that there should be enough administrative latitude in the regulations to permit of that kind of thing being done. I was wondering if the department has given it consideration.—A. Mr. Chairman,

I regret to have to contradict Mr. Gillis, but I am sure that no recipient of war veterans allowances was refused permission to go to the United States, because they do not have to ask permission. All they do is go to the United States, notify the district authority, even after they are gone, and then the district authority suspends the payment of the allowance and reinstates it upon return within the period allowed. If a veteran leaves on the 1st of October and comes back on the 31st of March, he will get the full allowance for the period that he was away.

Q. I am not arguing the suspension. But the allowance is the only income that such a person has. If he leaves the country, he certainly cannot live on nothing. In cases where medical doctors recommend that the person leave the country for health reasons, I think that the allowances should be paid in order to permit the man to live.—A. Do I understand your proposal correctly, Mr. Gillis? You think that we should not suspend the allowance but should continue to pay it for the allowable period of three months and then suspend it?

Q. Well, that is a matter for the department to make its mind up on.—A. We are bound by the Act in making a suspension.

Q. I know that, but the Act can be changed.—A. Again we are getting into a matter of policy. There is one thing of which I am absolutely sure, that our district authorities have never told a recipient, "You cannot go outside the country", because they have no power to do that.

Mr. GILLIS: It is the suspension of the allowance that causes the difficulty.

By Mr. Carter:

Q. I think that the employment of local or provincial civil servants to interview our men should be done as sparingly as possible, because a veteran has many other problems. He needs somebody who knows the whole Act and can explain to him the various benefits to which he is entitled under the Act. We cannot get provincial employees who are qualified to do that. The difficulties and expenses of getting around to these isolated areas in Newfoundland are often very greatly exaggerated. Every summer the Post Office Department chartered a boat and puts a post office inspector aboard, who travels right along that coast and lives on board that boat. I see no reason why a welfare officer from a local department could not arrange with a welfare officer to go along with these people. The Department of Fisheries has boats going hither and yon all the time, and I think they would be happy to take a welfare officer aboard. The same applies to a public welfare man. There are hundreds of boats travelling along all the coast line in the summer period. I am sure it would be very easy and very cheap for the welfare officer to arrange to have our local welfare officer travel on these boats and see our veterans in person.—A. I certainly agree in principle, Mr. Carter. Mr. Parliament tells me that that is what they are doing, but that takes care only of the summer period. I think it would be unfair to some of the veterans if we did not deal with their applications coming in by mail during the winter months, by asking the provincial people to do the work that we cannot do during those months, and thereby give them relief at an earlier date.

Q. I agree with you, but I still think that they should be followed up as quickly as possible by our own welfare officers.—A. We will make sure that we do that, Mr. Carter.

The CHAIRMAN: The members will note that in the record of proceedings that was distributed this morning there are some tables which they may not have had a chance to study very much until now. Are there any questions of the officers on those tables? Have you, Mr. Lalonde, something further to give to the committee?

The WITNESS: I have some explanation to give on certain questions which were raised. The first one was raised by Mr. Carter about the increase in tuberculosis and mental patients on Table 4 between the years 1949 and 1950.

The explanation is that prior to 1948 there was no provision in the treatment regulations for the treatment of war veterans allowance recipients. They were at that time only granted treatment as indigents under what was then called class 5 (a). The equivalent is now section 13. At that time, prior to 1948, the war veterans allowance recipients granted treatment under class 5 (a) could not be treated for a mental condition, because class 5 (a) did not contain provision to treat those people.

In 1948 we added class 5 (b) to the treatment regulations—it is now section 12—whereby war veterans allowance recipients are granted treatment privileges for all conditions including mental conditions.

In 1948 there was a number of veterans who were treated in provincial institutions for tuberculosis or mental conditions. When they became eligible for treatment, the public guardian made application on their behalf to the War Veterans Allowance Board to have them placed on the allowance and granted class 5 (b) treatment to be paid for by the department. The result was that there was a group of veterans who were not included in the 1949 report but who were included in 1950, because it was between 1949 and 1950 that these people were placed on class 5 (b).

By Mr. Carter:

Q. I would like to thank the deputy minister for giving such a full answer. There is, however, one point he mentioned which inspires another question in my mind. Did I understand him to say that the war veterans allowance recipients get treatment for all conditions?—A. They do, yes.

Q. That does not apply to a pensioner. The pensioner can get treatment only for his wounds.—A. The pensioner can have other conditions treated if he comes under section 13; that is the section covering treatment eligibility based on the income and other assets of the veteran. The answer is that a pensioner with a high income could not get treatment under section 13; that is for a condition other than his pensioned condition.

Q. And when you say "high income", what is the ceiling? Is there a ceiling on it?—A. There is a means test in section 13. It is to be found in the Treasury Board scale which lays down the limit of income and assets.

It is a little bit difficult to explain it in one word because it is not based upon actual income; it is based upon adjusted income. The limit is \$2,500 for his yearly adjusted income.

That does not mean that the veteran cannot have earned more than \$2,500 during the year. But after we deduct certain items from his actual income, we arrive at his adjusted income, and that is where the figure of \$2,500 becomes the ceiling for the adjusted income.

For instance, to get the adjusted income of an applicant, you have to deduct a certain set amount for his dependents. If he earns \$3,600, then you have to deduct so much, let us say, for his wife, and for each child; and so much for expenses he may have incurred for medical care during the preceding year. Then you get his adjusted income; and if it is under \$2,500, the pensioner can get treatment for his non-pensioned condition.

By Mr. Brooks:

Q. What is the amount for the wife and the child?—A. It is \$480 for the wife.

The CHAIRMAN: The committee will appreciate—

The WITNESS: And \$150 for each additional dependent.

The CHAIRMAN: As I was saying, the committee will appreciate that this is a matter of treatment of pensioners and not of war veterans allowance recipients. I did not object to the question because it is a question of comparison; however, it is going into another field.

By Mr. Philpott:

Q. I want to ask a question. In view of the fact that we now treat these people who are war veterans allowance recipients just as we treat pensioners in our hospitals, and in view of the fact that everybody in British Columbia has to pay a hospital insurance tax, has anybody in the department ever computed how much we could bill the British Columbia government for our taking the load off them?—A. That is quite a problem. At the moment we have an inter-departmental committee studying that question of provincial health insurance schemes and their relationship to our treatment regulations. It is very complicated. There is no easy solution because, after all, the provincial authorities can make whatever rules or regulations they wish in the administration of their own insurance scheme.

Mr. GILLIS: A national health program would cure the whole thing.

By Mr. Green:

Q. On your inter-departmental committee, do you have a representative of the Department of National Defence?—A. Yes.

Q. At the present time the dependents of the men in the forces who are posted in British Columbia are unable to get hospital insurance protection. You might be able to make a deal under which those people are covered in view of the fact that you cover the war veterans allowance recipients.—A. That is what we are looking into.

Q. Surely we have a claim against the British Columbia government for paying these costs in our hospitals. At the moment the province do not extend hospital insurance treatment to the dependents of the men in the defence forces. I think we have a claim against them for the families.

By Mr. Dinsdale:

Q. I would like to ask a question about the recipients of war veterans allowance who are hospitalized for mental illness. If it becomes a case of permanent hospitalization, what happens to the allowance? Who gets it?—A. It depends if he is single or married. If he is single then he does not continue to get it after three months; but if he is married, then his dependents continue to get it.

Q. They get the full married allowance?—A. Perhaps Mr. Garneau might explain that.

Mr. F. J. G. GARNEAU (Chairman, War Veterans Allowance Board): This I believe is an answer which I gave at a previous sitting, and it should cover that point. There is a deduction made from the allowance while the man is treated at the cost of the department. It would vary between \$5 and \$10. In other words, if a disabled veteran is in a hospital, and if his family is receiving \$90 per month allowance, that sum might be reduced by a token suspension to \$85 or possibly \$80, depending on the decision of the district authority. The deduction is very seldom increased. But it is very seldom any more than those amounts. More frequently it is \$5 than \$10 and it goes on as long as hospitalization continues but not exceeding one year. I believe the idea behind this is as I said that the treatment of that veteran is rather costly—I am only venturing a personal opinion—and a deduction of \$5 is more or less, as you might say a gesture for the public accounts or the auditor general. But, there is no important change in the amount paid. The family is being looked after.

Mr. DINSDALE: Is there any attempt made to trace back the mental illness to war service and shift the responsibility to the pensions board?

Mr. GARNEAU: That is not within our province as far as we know. We just accept the fact that he is ill and what the cause is I think it is beyond our powers to decide. We just accept the situation, that he is sick or is not sick according to the medical reports. The origin of the illness would not concern the board as such or the district authorities.

By Mr. Croll:

Q. Colonel Lalonde, will you turn to Appendix "C" for a moment. You may have covered it but if you did I missed it. The general increase in expenditures is due to what, the increased number of recipients? Does "C", by the way, represent the overall cost?—A. Yes. There are two factors. One is the increase in rates from time to time—rates and ceilings—and the increase in the number of recipients.

Q. In view of the fact that the incidence of death was about the same, to what do you attribute the fall in 1953-54?—A. Actually there is no decrease in 1953-54. I believe I explained at the first meeting that the reason for the discrepancy is the fact that in 1952-53 there was an increase in the rate given retroactive effect and therefore some of the payments made in 1952-53 were actually on behalf of months included in 1951-52. The actual amount paid in 1952-53 to cover periods included in 1951-52 is \$1,040,000. That would bring the total down to about the same as 1953-54.

The CHAIRMAN: Mr. Herridge.

By Mr. Herridge:

Q. Mr. Chairman, I just want to say this giving of hospital and medical treatment to war veterans allowance recipients has been a big boon. With respect to treatment and transportation could the deputy minister advise the committee what procedure a recipient goes through who wishes to apply for medical or hospital treatment, and the transportation arrangements?—A. I think that what Mr. Herridge wants to bring out are the various benefits in connection with the treatment of war veterans allowance recipients. If the recipient notifies the department, either himself or through his relatives, that he needs hospitalization and that he cannot get to the hospital, we will pay the cost of transportation to bring him to the hospital. There he gets treatment; he gets benefits of comforts, clothing and travelling expenses to go back to his home. And, if unfortunately he happens to die, he may be entitled to payment of funeral and burial expenses. Does that cover your point?

Mr. HERRIDGE: Yes, thank you.

By Mr. Goode:

Q. In regard to mental patients, I have one case at the moment of a man who visits me quite often who is obviously a mental patient or should be a mental patient. There is no connection between his calling on me and his being a mental patient. But, he is a recipient of war veterans allowance and his wife refuses to allow him to go to Essondale. I have contacted three or four doctors who have certified him as being one who should go there. His wife refuses to allow him to go. What is the position of the department in that matter?—A. We have no legal position with respect to that veteran unless we are able to comply with the provincial law with respect to committal to a mental institution. If that man had a mental condition for which he was being pensioned, then we could take him into a D.V.A. hospital. But if he is not pensioned for that condition he must go to a provincial institution and his family has to fulfil the conditions laid down by the province for committal to a mental institution.

By Mr. Hahn:

Q. The incidence of mental cases I see appears to be very, very high—this is on table 4. I was wondering if it is possible to have Colonel Lalonde tell us how it compares in the case of civilians and war veterans allowance recipients. For instance, in 1954 we have 14.7 per cent tubercular. Have we any figures to indicate how that compares with civilian cases?—A. Mr. Hahn, we have no figures to enable us to compare the ratio of tubercular and mental patients amongst war veterans allowance recipients with that of civilians. The only answer that I can give is that the director general of treatment services has told me frequently that he did not think that the incidence of tubercular or mental conditions in the veterans' population was any greater than in the civilian population. I imagine that the incidence is not greater for war veterans allowance recipients than it is for veterans at large. I see no reason for it.

Q. In respect to these mental cases at Essondale in my own province, who pays for the cost of their stay in Essondale? Is that a provincial cost completely?—A. The mental cases treated in Essondale who are war veterans allowance recipients?

Q. Yes.—A. The Department of Veterans Affairs pays for it.

By Mr. Balcom:

Q. I was wondering, in the case of a war veteran in an isolated place, who goes to a doctor—not a D.V.A. doctor—and receives a prescription for medicine, what happens then? Where does that veteran get his prescription filled—say there is not a drug store in the locality?—A. That is covered by the doctors-of-choice plan, and the doctor is supposed to send back to the department his bill for visits and necessary medicine or any kind of prescription. That is included in his charge for the treatment of that particular patient.

Q. That would mean then that a veteran has to wait perhaps a week or ten days for a prescription to be filled. Does the doctor have a fixed charge?—A. There is a schedule of fees, which varies with the condition he is treating.

Q. That war veteran has to wait days for his medicine. If he has influenza, which is prevalent at this time, his prescription cannot be filled locally. It must go to Camp Hill Hospital where you have increased overhead costs by increasing your staff to fill these prescriptions.

The CHAIRMAN: You know this to be the case, Mr. Balcom?

Mr. BALCOM: Yes.

Mr. GILLIS: It is general in Nova Scotia.

The WITNESS: I would like to look into that question, Mr. Balcom. I am not clear about the filling of prescriptions in outlying areas. I know what they do in Halifax.

Mr. CROLL: What do they do in Halifax?

The WITNESS: They go to Camp Hill Hospital.

Mr. BALCOM: That is not altogether convenient. They are not open all day.

The WITNESS: Someone is there all the time.

Mr. BALCOM: Not someone qualified.

Mr. HARKNESS: The same condition exists all over the country. All the people in the rural parts of Alberta, Saskatchewan, Manitoba and so forth have to go to the doctor and get prescriptions from him directly and pay for them out of their own pocket.

The WITNESS: That is what I want to check. I am not sure whether the doctor-of-choice plan covers the cost of medicine given by the doctor as well as his fee.

Mr. HARKNESS: If the doctor happens to have a little dispensary which dispenses drugs, it is included, but in most cases he gives the prescription

to the man and then the man has to send it to the veterans hospital in Calgary or else pay for it out of his own pocket if he wants to get it immediately.

The WITNESS: I will check with our treatment services. I am not sure of my ground. I want to know if they have to pay for it out of their own pockets.

Mr. GILLIS: I want to support Mr. Balcom. Up to two years ago, local representatives in any part of the country could examine a man, write a prescription, if one were necessary, and take that prescription to a local drug store and fill it. Cape Breton Island is 350 miles from Halifax, and what happens today is this: a local representative of the department will write a prescription and that has to go to Halifax to be filled and returned to the veterans, and as Mr. Balcom says it takes up to ten days or more. That has been the set-up in the last two years, and every branch of the Legion has been protesting it.

Mr. MACDOUGALL: Mr. Chairman, now that we are dealing with this question of the position of pharmacists I might say that at Shaughnessy Military Hospital they have a very excellent staff of pharmacists, but the situation there at present is that they are drastically overworked. Recommendations from Dr. Bain that at least one and preferably more registered pharmacists should be appointed to the staff there were made two or three years ago. It is quite conceivable, by virtue of the arguments raised by Mr. Balcom and Mr. Gillis, that the circumstances which are applicable to Nova Scotia are also applicable in some degree to British Columbia. I go to Shaughnessy for insulin from time to time, and I visit the dispensing department, and I know from having seen it with my own eyes that these pharmacists are greatly overworked. It is only fair to remember that they have applications for various drugs and medicines coming in from all over the province. It takes the chief pharmacist all his time to keep track of mail orders. Consequently he has no time left to fill or to assist in filling any of the local requirements which may come in from the individual veterans who attend directly at the pharmaceutical department of Shaughnessy Military Hospital; and Mr. Chairman, I would hope that this matter, now that it has been brought up, will receive some consideration from the department. It is most obvious that the staff of the dispensing department of the Shaughnessy Military Hospital is hopelessly inadequate to meet all the requirements demanded of it both by the military and by the veterans who go to the department for various drugs, powders, pills and so on. Recommendations for an increase in staff have, I believe, been made to the department for some two years and it seems to me that the time has long since passed when this matter should be given due consideration by the department, and that as a result of this consideration the dispensing department in Shaughnessy hospital should have additional trained and qualified dispensers.

Mr. HENDERSON: My remarks are addressed to Colonel Garneau. I appreciate very much the statement he made with respect to those recipients of war veterans allowance who own their homes and who rent rooms. I refer to page 74 of the proceedings on Tuesday last. I was just wondering, Colonel Garneau, if you could tell us what is the procedure and what regulations apply. Quite a few veterans in Kingston rent rooms to students in the winter months, and in the summer they are cut off from this means of income. I was wondering if you could outline the procedure to deal with this sort of case. Supposing the rooms are vacant for three months. Do the veterans get back on their regular allowance.

Mr. F. J. G. GARNEAU (*Chairman, War Veterans Allowance Board*): There is no sliding scale or scale of adjustment actually provided for such cases. In the matter of rentals such as you have mentioned, what the district authority considers, and what the board would consider, if the decision were appealed, is the income accruing to the recipient from such rentals on a yearly basis

under the "ceiling" permitted for the coming year—the veterans allowance year, which incidentally starts with the award and is reviewed from year to year. If a person rents rooms, for example to students, that would be for approximately ten months of the year. The income would be adjusted, then, so as to avoid causing over-paying of allowance. It would be adjusted on the scale and with relation to the exempted income given here. If the rooms become vacant during the summer months and the income of the recipient would allow an increase of the allowance to be effected for the remaining two months while the rooms are empty, the allowance would be adjusted upwards to give the recipient the maximum income permitted under the Act. By the same token, if the amount of income were considered too high it would naturally have to be adjusted accordingly. I hope that is the answer to your question.

Mr. HENDERSON: Thank you.

Mr. CARTER: I would like to follow that up by asking one or two questions. Under section (a) we have a scale of assessment of farm income—25 per cent of the first thousand, 40 per cent of the second thousand and so on. What is the basis of that scale? Is it because it is assumed that the other 75 per cent is the cost of production, that it costs \$750 to produce that?

Mr. BENNETT: I think that is the basis of it. I think this is a very generous formula. Of the first \$1,000 gross income that a farmer takes in, \$750 is considered as cost of production. If the farmer says that that is unfair to him because it cost him \$1,000 to produce that \$1,000, then we accept that if he comes within the terms of the alternative scheme. In other words, he has to produce his receipts and books to show that his costs of operations really did amount to \$1,000.

Mr. CARTER: Is that same scale applied to fishermen?

Mr. GARNEAU: This is the policy we have been following for some time in Newfoundland and wherever it applies. While no directive has actually been issued, some questions have come up locally from the district authority in Newfoundland, and some from Prince Edward Island, and we have told them to consider the farm income directive as applying roughly to fishing.

Mr. CARTER: The fisherman's earnings would not come under the seasonal employment, would they? That seasonal employment figure is only for wage earners, is that right? I understand that for 12 weeks in the year a war veteran, if engaged in seasonal employment, is not limited in what he can earn.

Mr. GARNEAU: That is right.

Mr. CARTER: What about seasonal employment in, say, lobster fishing or salmon fishing? Has he an employment regulation instead of coming under this one with the scale assessment?

Mr. BENNETT: Is his regular occupation lobster fishing?

Mr. CARTER: Yes.

Mr. BENNETT: Then, as that would not be casual earnings, he would not come under it. That applies to people who do seasonal jobs which are not their regular employment, such as employment at a race track or exhibition and so on.

Mr. CARTER: If he is a fisherman, he comes under this assessment again?

Mr. BENNETT: Yes, or section 4 of the Act.

Mr. HAHN: You mentioned the casual earnings as those earned by a man employed at one of the race tracks. Suppose he received that each year over 10 or 15 years?

Mr. BENNETT: It is still casual, as long as it is limited to a period of less than 12 weeks in any one year.

Mr. WESELAK: Would it not depend on whether he was an employee or an operator?

By Mr. Philpott:

Q. I should like to ask Mr. Lalonde about table 5, on page 77, which gives the rate at which the men and women are dying off. I am absolutely astonished with those figures showing that men are dying off three times faster than their wives.—A. That is not perhaps right, because there are more veterans than widows on the allowance. Therefore, any comparison between percentages is not based on exactly the same number of people.

Q. But the percentages show, in the case of last year, that six per cent of the veterans died off and only 2.53 per cent of the widows died off.—A. That is right, for two reasons: because the veterans are given allowances at 60, but the widows at 55, and therefore their age group is lower than the veterans; and also the Canadian life tables show that women live longer than men.

The CHAIRMAN: Members of the committee will note that Colonel Garneau in Appendix "B" has summarized the regulations and practice in regard to farm income and in regard to income from rentals and income from boarders and lodgers. I think that the committee will agree that he has done a very good job in making that very comprehensible. I thought it was better for him to do that than to give the directives in full.

The WITNESS: Table 6 is the last table which we distributed. It deals with the assistance fund. You will note, in the columns dealing with veterans that the number assisted in 1949-50, was 6,000; it went to 8,000 in 1951-52, and then dropped. There are two reasons for this. The first is that from 1949 to 1952 the rate of the allowance was lower than it was in 1952 and there were more people who needed assistance. Then in 1952-53, when retroactive effect was given to the increases in rates, the recipients got a cheque to cover seven months of allowances at the new rate. Therefore, during their war veterans allowance year at that time these amounts carried them up to the income ceiling, so there was no room to give them the assistance.

By Mr. Brooks:

Q. Did all recipients whose only income is the war veterans allowance automatically get the assistance fund on application?—A. Not automatically.

Q. I mean, after investigation and it is proven that they have no other income but war veterans allowance?—A. Not automatically, because the need has had to be established, and it varies, I think, between urban and rural areas. So it is not an automatic increase of \$10 a month. Sometimes they get \$5, sometimes \$8.

Q. And sometimes nothing—A. Yes.

The WITNESS: Referring again to table 6, I said that the number of recipients assisted dropped sharply in 1952. It picked up again in 1953-54 and it is increasing this year. We expect that by the end of March, 1955, it will go to about 4,000. The other interesting thing to note is the reduction in the number of applicants who have been refused assistance. In 1949-50 this was new legislation and there were a few frivolous applications. That is why the proportion of refused applications is so high; another factor is that between the years 1951 and the present time we have tried to adjust the administration of the assistance fund to the same level in all districts, and we have tried to make it as generous as the legislation could possibly enable us to do so.

Mr. BROOKS: Did you say that in 1950-51 some of those who had been refused in 1949-50 were reconsidered and that they received it?

The WITNESS: That is right. They can be refused this month, and if their condition changes next month, we will entertain a new application.

Br. Mr. Green:

Q. Is the assistance fund available to veterans or widows 70 years of age or over?—A. Yes; if they are not in receipt of the old age security pension, for one reason or another.

Q. Would the fact that they are entitled to at least some old age security mean that they could not qualify for war veterans allowance assistance?—A. That would automatically put them up to the ceiling.

Q. So that they would not be eligible for assistance?—A. No, they would be receiving the maximum income.

Q. Is the same thing true of the small pensioner?—A. Not in all cases; his pension may be such that there is still a spread. He might have a pension of less than \$10 a month, for example.

Q. It is only the small pensioner who could benefit from the assistance fund; it would be the man who gets less than \$10 pension per month, and \$12 if he is married?—A. That is right.

Q. Provided these amendments go through?—A. That is correct.

Q. And is the same true of pensioners or widows who have superannuation?—A. Yes.

Q. This morning you produced a form of application for the assistance fund. Is there not a form which the investigator has to complete when making his report?—A. No, there is what we call a time-saving device in which we list the items that he may look for when he makes his investigation. In other words, we will ask him to find out what the income is, whether it is derived from employment or casual earnings, and that sort of thing; and he fills it out and sends it in to the district committee.

Q. Would there be any objection to having those forms distributed to the members of the committee? I ask that because the veteran would undergo, I presume, a second means test when making application for assistance under the fund.—A. The form does not mean anything; it is only to help the investigator or welfare officer. The district committee takes the information from that report and they analyze it and make a definite decision. The welfare officer has nothing to do with the decision, and the form has nothing to do with the decision either. It is only a method of collecting information.

The CHAIRMAN: I do not think there will be any objection.

By Mr. Green:

Q. The form shows the questions which must be asked of the applicant?—A. Yes.

Q. Whereas the general form produced today is merely a written application, without any details?—A. That is what we were asked to produce. That is the application form.

Q. What about the other form? That is the one we want.

Mr. BENNETT (*Grey North*): Perhaps Mr. Lalonde might tell the committee about the formula which we use in connection with the assistance fund. I think that is what Mr. Green wants to know. I do not think that the form would help him very much.

The WITNESS: No. The form does not cover the formula.

Mr. BENNETT (*Grey North*): Would you please describe it?

The WITNESS: Yes. If the committee will bear with me for a minute, I would like to finish my analysis of this table. Then Mr. Parliament whose officials in the welfare services carry out these investigations and report to the district committees, can explain the formula used in determining that need.

I will now answer one of the questions just asked, with respect to average payments. We have two ways of paying the assistance. One is to pay a lump sum and the other a continuing monthly grant. I have no way of giving you an

average amount for these lump sum payments because they vary according to need. The continuing monthly payments average \$77 in the case of veterans in 1953-54; and for widows, \$82 for the year.

This year, 1954-55, over a ten month period, the average for veterans has been \$69, and for widows \$87. So that for a twelve month period, if we maintain the same ratio, the average payment involved would be \$83 for veterans and \$103 for widows.

One reason for this difference is that there are many cases where there is a small pension or a small superannuation; therefore they cannot get the full \$10 per month; they can only get the difference between their pension and the income ceiling. In assessing the continuing monthly assistance, we must take into account the fact that some people cannot get more than \$5 a month. That is what is bringing the average down. Even at that it runs pretty close to \$100 for the year.

Incidentally in Montreal on 31 January 1955, there were 185 widows in receipt of monthly awards under the assistance fund and 129 of those were receiving the maximum assistance of \$10 per month. I mention this because some figures in this respect were given to the committee the other day. I think this proves that there is no discrimination against widows in Montreal.

By Mr. Goode:

Q. You mentioned that a bulk payment was made to some of those recipients. How many recipients would have received it?—A. The difference between the monthly grant and the lump sum payment will be explained by Mr. Parliament.

Briefly, a lump sum payment is made to cover an immediate need. For instance, at the beginning of winter a veteran may need two or three tons of coal, so we buy two or three tons of coal at that time. That is a lump sum payment.

Q. Could he continue to receive the assistance fund after that date?—A. For the difference between the amount of that lump sum payment and the maximum assistance; certainly.

Mr. BALCOM: Lump sum payments are not encouraged.

The WITNESS: Both methods fill specific needs. It would be difficult to cancel one or the other.

Now the last remark I want to make concerning table 6 is to bring to the attention of the committee one more feature and then let the committee draw its own conclusions.

At the 31st of December, 1954 there were 13,354 veterans with no other accountable income who technically were all eligible for the assistance fund; 3,970 of those applied for the assistance. At the same time, for the same period, there were 7,294 widows who had no other accountable income and who also were all eligible for the assistance. Yet only 1,611 applied for it. You gentlemen will draw your own conclusions from these figures. We have tried to find a definite answer to that and the only one that we can find is that the others, those who do not apply, either have other means of supplementing the basic rate or they live in rural areas where they are satisfied to get along on that amount. That is the only explanation we can find for this state of affairs because we are convinced that they do not purposely refrain from getting the benefits of the assistance fund. We do not think that any of them will purposely say they do not want the additional income.

Mr. GILLIS: Do you think that they all know about it?

The WITNESS: Every recipient of war veterans allowance has received two chits with his war veterans allowance cheque, whether he is in receipt of assistance or not. They have all had those chits informing them that they

could apply for assistance to the district office, and giving them the conditions under which they can apply. We cannot understand why they have not applied. That is something on which you will have to draw your own conclusions: I can only give you our observations on the situation. We have gone across the country and tried to find out what the real reason is. Personally I am convinced that the only possible explanation is that those in rural areas—must be satisfied with what they are getting and those in urban areas must supplement their basic rate.

Mr. BROOKS: When you say they are eligible you are taking that from their application. There is no investigation made by your department, until they make application, to find out whether they are eligible or not?

The WITNESS: I do not follow that.

Mr. BROOKS: You say there were 13,354 who were eligible and only 3,970 applied. I ask how do you know that 13,354 were eligible? Was it not from the application they put in and not from any further investigation which was made by your department?

The WITNESS: That 13,354 is the number of people who are getting the full amount of the allowance because they have no other accountable income and we know their number at all times. Those are the people who have no disability pension, superannuation or other income.

Mr. FORGIE: They might have casual earnings.

The WITNESS: That would not prevent them from applying for assistance.

The CHAIRMAN: They might actually have quite an income over and above the allowable income taking into account the casual earnings.

The WITNESS: If they are getting the full rate of war veterans allowance, there is a margin between the rate and the maximum income ceiling and casual earnings are not taken into account in covering that difference.

The CHAIRMAN: But that would enter into the giving to them of this assistance.

The WITNESS: Not always.

The CHAIRMAN: I did understand that is the case where you look into the question of need you consider if they have quite a large income from casual earnings.

The WITNESS: Yes, if they have a large income from casual earnings, but if a man had casual earnings of \$5 a month and applied for assistance we would not take that into account. He could still get the \$12 assistance.

The CHAIRMAN: But a person who had the income to bring him up to the maximum allowance would still be getting the war veterans allowance but might be getting the \$10 a month which would prevent him going above the full allowance. He would be getting the full allowance and yet he would be having this extra \$10 a month. He would know if he applied he would not get this assistance because he would know that he could not get any assistance if that assistance would bring him above the maximum allowable income. In other words there must be quite a number who are getting the full amount of the allowance and still have the maximum allowable income in this figure you gave.

The WITNESS: No. There are only about 1,500 of those.

The CHAIRMAN: And they are included in that 13,354?

The WITNESS: No, they are not.

Mr. FORGIE: Do you know what percentage of the 13,354 come from the rural sections?

The WITNESS: No. I am afraid it would be pretty difficult to make a survey on that basis. First of all you would have to define rural areas.

By Mr. Hanna:

Q. Some of my questions I think have been answered. What is the total maximum income or assistance available to a single veteran or a widow who has no outside income whatever?—A. \$120 a year single.

Q. On a monthly basis?—A. \$10 a month.

Q. I mean the total, the W.V.A. plus the assistance fund?—A. At the moment or under the bill?

Q. Under the bill.—A. It would be \$70 a month under the bill.

Q. What would the total income be for a single veteran or a widow under the proposed bill with the maximum casual earnings allowable?—A. Per month?

Q. Yes.—A. \$120.

Q. Thank you. Would you also mind telling us what is the total maximum income available to a married veteran under the proposed bill who has no other income whatsoever? In other words, the total of the W.V.A. plus the assistance fund?—A. \$120 not including casual earnings.

Q. Now, what is the total income that a married veteran may have with the total W.V.A. and assistance fund plus the maximum casual earnings that would be allowed?—A. The maximum that he could have would be \$170 a month.

Q. Thank you. Those are the figures I wanted to get.—A. I do not say he would always have that, but that is the maximum he could have.

Mr. BENNETT (*Grey North*): Depending on the type of casual earnings.

The WITNESS: Yes. There are variations, but that is the amount he could get.

Mr. BENNETT (*Grey North*): Under category 2.

The WITNESS: Unless he is under section 4.

The CHAIRMAN: Under section 4 he could have more than this?

The WITNESS: Yes.

Mr. BENNETT (*Grey North*): Or he might go out and mow lawns and make \$70 casual earnings in one month. You cannot fix casual earnings at \$50 a month.

The WITNESS: No, but under section 3 that is the maximum for that type of thing. Not for the odd job, but for the regular part-time employment.

Mr. BENNETT (*Grey North*): Your answer only applies to category 2?

The WITNESS: Yes.

Mr. GOODE: Could we be supplied with this chit Mr. Lalonde speaks of?

The CHAIRMAN: Yes, we will obtain that.

By Mr. Green:

Q. You have said that there are 13,354 veterans who draw the full allowance and have no other income and 7,294 widows. That makes a total of about 20,500, which is about one-half of the total number of recipients of war veterans allowances?—A. That is correct.

Q. What was the total number of recipients at the end of 1954?—A. Will the 31st January, 1955 do?

Q. Yes.—A. 44,154.

Q. And do these figures amounting to about 20,500 include any people of 70 years of age and over?—A. I think Mr. Green you are referring to those who are receiving old age security pensions. They are not included in that figure of 20,000 odd.

Q. And does it include any small pensioners who are drawing over \$10 a month if single and \$12 if married?—A. No, it includes only those who have no other accountable income of any kind.

Q. They would all be under 70?—A. There are a few who do not take the old age security pension. They do not apply for it.

Q. How many would you say come into that category?—A. Very few. I do not think more than 5 per cent of those who are eligible.

Q. Would one explanation of the fact that there are so many people who have not applied for assistance be that they resent the second means test?—A. We thought of that Mr. Green, but knowing human nature we do not think that it is the reason. We do not think any of these recipients would let resentment deprive them of \$10 a month; we came to the conclusion that this would be too high a price to pay for such resentment.

The CHAIRMAN: When you say "no other income" that does not include casual earnings, because you have no record of that at all?

The WITNESS: I beg your pardon?

The CHAIRMAN: When you say that these 13,000 do not have any other income, that does not include casual earnings because you do not have any record of casual earnings?

The WITNESS: That is right. I spoke of "other accountable income" purposely because that is the only kind of income we take into account in determining the amount to be paid.

By Mr. Green:

Q. Have you any idea how many people drawing veterans allowance assistance are in receipt of casual earnings?—A. I have no official estimate of the number who are in receipt of casual earnings.

Q. Has the department no figures whatever on that question?

An Hon. MEMBER: I hope not.

The WITNESS: It would be impossible. In order to get these figures we would have to force every recipient to report casual earnings every time he earned them and if a veteran got odd jobs, or a series of odd jobs, he might have to report four or five times a month—or else every month—and that is not practicable.

By Mr. Green:

Q. Your districts must have some idea of the approximate number who are making casual earnings?—A. The only time we know that a person has casual earnings is when they ask us for assistance under the assistance fund, because then they must declare past casual earnings. It is of course impossible for them to declare future casual earnings.

Q. How many come into that category?—A. We would have to examine every file, I guess, in order to find that out.

The CHAIRMAN: That would explain, would it not, the refusals in table 6—the main reason for refusals listed on table 6 would be that it would be feasible for them to be receiving quite large amounts of casual earnings?

The WITNESS: It could be. Each case was dealt with on its merits. If a recipient living in a rural area was receiving the basic rate of the allowance plus casual earnings of \$30 or \$40 a month, in that particular area it might be the equivalent of \$75 income in a city, so he might possibly have been refused assistance.

The CHAIRMAN: By "number refused" do you mean those refused the maximum amount, or the number refused anything?

The WITNESS: This means those who do not get the assistance.

By Mr. Green:

Q. Can you get the figure showing how many of these veterans are getting casual earnings?—A. We will have to wire the districts and ask them if they can give us a report. We shall try to obtain that information for you, Mr. Green.

Mr. FORGIE: I suggest we should leave that alone.

Mr. GOODE: I suggest we leave well enough alone.

The WITNESS: I am at the disposal of the committee.

The CHAIRMAN: I know that some of the committee members do feel that in the best interests of the veterans we should not press too much into the question of casual earnings. That seems to be the feeling. I am not criticizing you, Mr. Green. I think that if you want this information you are entitled to have it if it can be obtained.

Mr. GREEN: I will take that upon my own responsibility. I have asked for what information there is concerning casual earnings in respect of those people who come under table 6. I would point out that the argument which is being built up against increasing the "ceilings" of war veteran allowances is based on the amount of these casual earnings. Personally, I do not propose to allow that argument to influence my action. Casual earnings stand by themselves. It is quite proper that they should be as they are, and I am not objecting to them in any way, but I do not want to have any attempt to get the "ceilings" increased hampered by statements that these veterans have a chance to get casual earnings. I think if we did have the figures we would find that the number of veterans who are in fact getting casual earnings is a very small percentage of the whole. I think the percentage would be found to be so ridiculously low that this argument would prove to be very foolish.

The CHAIRMAN: I was not saying you were not entitled to follow this matter up, but some members of the committee seem to feel you should not give it too much emphasis by doing so. However, you have the right to do it if you wish.

Mr. CROLL: I have been turning over in my mind the startling figures which Mr. Lalonde gave to the committee, and his answers to the questions put to him, and I have rather come to a conclusion different from that which Mr. Green has reached. It occurs to me from the amount of misunderstanding by this committee, and by myself, about casual earnings, that the recipients did not quite seem to understand the position, or in the alternative, that they had such casual earnings that they were not prepared to discuss them with the department. I think that is what those figures point to. For that reason, this matter of casual earnings becomes very important to the committee, and the administration of it is by all means pre-eminent at this time.

By Mr. Quelch:

Q. I think that the reason why there is so much puzzlement is that there has been a change in the last year or two. The question I should like to ask is this: It used to be the practice—I do not know if it is still—to require a recipient of war veterans allowance to fill in a form, and that form was a very detailed one. I have helped many people fill them out. The form required the recipient to show the amount he had in the bank, the amount he may have in bonds, and money he received from various sources. If the recipient of the war veterans allowance is still required to complete that form, then unquestionably he is disclosing his casual earnings. I am wondering if those forms are still filled out.—A. That is not for the purpose of the assistance fund. That is for the purpose of the war veterans allowance.

Q. Those forms may well disclose casual earnings.—A. You are referring, I presume, to what is called the life certificate.

Q. I forget the name. It is a form which they get very often at the end of the year, and the idea is to find out what the financial standing of the recipient is.—A. I am sorry; the life certificate is for the Canadian Pension Commission. This is the declaration of income and assets for the War Veterans Allowance Board.

Mr. QUELCH: That would disclose the casual earnings, I think, in most cases. Maybe it should not, but the recipient of the war veterans allowance who obtains that form is under the impression that he has to disclose all his income, and therefore he discloses his casual earnings.

Mr. GARNEAU: Let me put it this way. That form would disclose all sources of income as the recipient would declare it. It does not refer particularly to casual earnings, but it is the type of income he may have enjoyed during the year—his war veterans allowance, pension, his wife's earnings, and so on. It is just a form written out in detail to give the district authority a statement as to his income situation. That was primarily designed to avoid repeated personal investigations. On the declaration of a man, it is accepted at its face value to avoid personal visits and so on. That was the purpose.

The CHAIRMAN: You would ask him in that to disclose casual earnings that have nothing to do with the granting of a war veterans allowance at all?

Mr. GARNEAU: The form has not been changed. It has been used for years, and it has been continued to be used like that, but there is no provision in the form itself to set out casual earnings as such. If the amount of earnings shown is rather large—let us say a person will declare an income of \$1,100 from work—then that might cause a subsequent inquiry to find out what type of work the man was engaged in during that time, whether it was casual or not, but it is not primarily to try to catch the veteran. It is just to allow the district authority and the board to keep a finger on the pulse, so to speak, and exercise a reasonable means of administration in those cases.

The CHAIRMAN: I can understand the reason for the question. He is allowed certain casual earnings, and this is to check that he is not getting more than the allowable casual earnings; is that correct?

Mr. GARNEAU: Yes.

The CHAIRMAN: I think that the committee would like to have that form tabled.

Mr. GARNEAU: Certainly.

By Mr. Hahn:

Q. Would you automatically deduct \$600 as casual earnings?—A. That is what is generally done now.

Q. But it does not appear on the form.—A. No, the recipient makes his statement, and the district authority reviews it. If it shows \$370 or something like that, the form is initialled by the reviewing clerk, without saying anything further.

Mr. BENNETT: You would not reduce his war veterans allowance without going into details?

Mr. GARNEAU: No, that is never done merely on the receipt of the form as such. If there is some doubt in the minds of the district authority, they will send a field investigator, a welfare officer, to get a further explanation of how that amount was arrived at and what sort of employment the man had.

Mr. BROOKS: To determine whether that is casual earnings or seasonal employment, you would have to do that, I should think.

Mr. HAHN: Those casual earnings should in no way affect the application for assistance. He would be eligible for assistance even though he received \$600 a year casual earnings.

Mr. CROLL: It is not so easy, and for that reason he does not apply.

The CHAIRMAN: If he is getting casual earnings that give him an income that would warrant his not being given the assistance, he would not be entitled to it. In other words, casual earnings are taken into account in granting assistance, is that correct?

The WITNESS: I believe I mentioned that feature before, Mr. Chairman. Casual earnings are taken into account in assessing the amount of payments under the assistance fund only to the extent that it enables the district committee to determine whether there is need or not. A single man with \$25 a month casual earnings does not need more than a married man with three children might need with \$50 a month casual earnings. Their needs might be the same, although one receives more casual earnings than the other. You have to take each case on its merits in applying the casual earnings to determine the need.

The CHAIRMAN: Mr. Parliament is the one who administers the assistance fund; perhaps he can clear up any possible further doubt with regard to that fund. There are also some questions which some member wished to ask Mr. Parliament.

Mr. BENNETT: I should like to hear from Mr. Parliament regarding the factors that make up the assistance fund.

Mr. G. H. Parliament, Director General, Veterans' Welfare Services, called:

The WITNESS: In order to clarify this situation somewhat, I have prepared a statement with regard to the standards applied to living allowances for needy older persons, so that I shall not overlook any of the points relating to the administration of the assistance fund:

STATEMENT BY MR. G. H. PARLIAMENT

Director General of Veterans' Welfare Services on

LIVING ALLOWANCES FOR NEEDY OLDER PERSONS-STANDARDS

as related to the administration of the Assistance Fund (W.V.A.).

Only a limited amount of research work seems to have been done on the subject of living allowances for needy older persons. Evidence given before the Joint Parliamentary Committee on Old Age Security in 1950 showed a lack of exact knowledge regarding many problems in this area. Monthly amounts recommended to the committee as an allowance for aged persons ranged from \$30 to \$60. There was agreement as to the essential needs of elderly persons but even experts were reluctant to cite exact cost figures. Because needs vary from person to person and cost from community to community across the country, it was difficult to formulate a standard which would be applied to all Canadians.

While the department has conducted such surveys as it has been able to do, because we have not the facilities to conduct full-scale research into the establishment of living standards, we have used what is considered to be the most up-to-date survey on this subject. This is the "Guide to Family Spending" prepared by the Toronto Welfare Council.

Welfare authorities are generally agreed that essential requirements of daily life for elderly persons are food, shelter (including heat, light and water, if not covered by rent), clothing and personal care.

We had taken into account the requirements of food, but not clothing and personal care. The minister, in announcing the broadening of the assistance fund, dealt with those two items, and I shall cover them as I go along.

Food

To determine the appropriate cost of food for W.V.A. recipients, the Director of Dietetic Services was asked to prepare an adequate diet for a person doing sedentary work. The costs for this diet were obtained, where possible, from the data provided in the Labour Gazette concerning costs of staple food items at the end of September, 1951. Prices not available in the Labour Gazette were obtained through D.V.A. district offices across Canada by pricing necessary items in various stores in each locality and averaging the results. When the cost of diet was adjusted from a weekly to a monthly basis and an allowance made for circumstances, as suggested by the Welfare Council of greater Toronto, it was found that the average cost for two persons would be \$55.87 per month. Although the price index for food dropped slightly between the time when this study was made and the present, we have continued to use the standard set in 1951, namely \$55.87 per month.

Rent

When an application is taken for help from the assistance fund, the actual cost of rent is allowed. It was realized that rents vary considerably between urban and rural areas and between communities. However, an effort was made to determine the level of rentals paid by W.V.A. recipients. Some 3,500 cases were reviewed in 1952. The variations were found to be quite wide and between D.V.A. districts the range was from \$16.85 to \$28 per month. Using the highest of these as a base and correcting for an increase in shelter costs of approximately 7 per cent, indicated in consumer price index, an average standard is set at \$30 per month.

Clothing

The Toronto Welfare Council study, at 1952 prices, suggests an allowance for the provision and maintenance of clothing of \$7.24 per month for women of 60 and over, and \$6.70 for men in the same age group. \$7 per month would, therefore, seem to be an appropriate amount for this item. As economies in clothing maintenance are possible for a married couple, a combined total of \$13 per month might be considered as adequate.

Personal Allowances

This is designed to cover such items as toothpaste, haircuts, shaving needs, cosmetics, tobacco, etc. The Toronto Welfare Council study at 1952 prices suggests \$4.16 per month for this item for a woman 60 years of age and over, and \$3.80 for a man in the same age range. \$4 per month for a single veteran or widow and \$8 a month for a married couple appeared a suitable figure to include in the assistance fund formula.

A monthly allowance for an elderly couple based on the above figures would total approximately \$107, to which should be added cost of fuel and light, if any. This is in line with the best current provincial welfare

practice. Both Alberta and British Columbia, on proof of need, may supplement basic old age security and old age assistance (\$40 per month) up to \$15 per month. It is, therefore, possible for an elderly couple to receive a combined income from these sources of \$110 per month. The War Veterans Allowance Act allows for variations to bring the combined allowance and assistance fund to \$120 per month.

Welfare councils in metropolitan areas have been especially concerned in recent years with the needs of elderly persons living alone. Studies made by such authorities suggest \$60 per month as a reasonable basic allowance for a single person living alone in a large city. In January, 1953, the Toronto Welfare Council proposed that the municipality should share with the province the cost of supplementing old age assistance and/or old age security up to \$20 per person per month when need could be demonstrated. In July, 1953, the Hamilton Welfare Council issued a study suggesting \$61.73 per month as the amount required to maintain a fair standard for an elderly person living alone in that city. Allowing \$7 per month clothing and a personal allowance of \$4 would leave \$59 available from a total allowance of \$70, including the assistance fund, as payment for room and board, which appears reasonable at current prices.

May I now say a few words on the welfare services provided by the department to W.V.A. recipients? The close concern of the Welfare Branch with the needs of recipients of W.V.A. dates from its involvement in surveys made by the department in 1949, which led to the creation of the assistance fund. Although the main administrative purpose of these surveys was to determine whether or not recipients were able to manage on the basic allowance, their scope extended beyond this. It embraced the total welfare of recipients and their dependents and pointed up ways other than financial in which our department could assist recipients in meeting their problems.

These surveys revealed wide variations in the circumstances of W.V.A. recipients, as well as the fact that many veteran recipients were unaware of their entitlements to medical, dental and hospital care. Often they were unaware of other services that could be provided, such as domiciliary care, prosthesis, etc.

When investigating an application for help from the assistance fund, our welfare officer not only inquires into the financial circumstances of the applicant but indicates the department's interest in the total welfare of the applicant and his dependents. Welfare officers are directed to advise and assist applicants in any possible way with their problems and to report any follow-up action taken or planned. Our social workers review these reports to ensure adequate social appraisal and that all applicable community resources are brought into play.

Where necessary, the case is referred back to the field staff after adjudication by the District Assistance Fund Committee for welfare follow-up. In this way recipients are helped to use a wide variety of supplementary services in the community. Assistance with the health problems of veterans' dependents is a frequent need. This may involve not only the use of general hospitals and hospital clinics but also of specialized facilities, often privately sponsored, for sufferers from arthritis, cancer, etc. Private welfare organizations may procure at reduced cost much needed items such as glasses, dentures and hearing aids where public authorities do not provide these. Veterans' organiza-

tions often provide valuable assistance. In one recent case a Legion branch not only provided building materials but also organized a work party to help repair a veteran's home.

Welfare services staff can often provide valuable counselling services to recipients who, with their strength and faculties impaired by age, are struggling with important personal problems. Older people often need skilled help in adjusting to the problems of living with relatives or in an institution after a lifetime of independence. Especially if they live alone, older veterans and widows dependent on W.V.A. are likely to turn to the department for help with any kind of problem. The simple knowledge that some interested person is available in case of need has, for these people, a value that cannot be estimated in dollars and cents. Our women social workers report that older women visit the office, or telephone frequently, for advice with problems, or just to "talk things over". Recipients living in rural areas, advised beforehand through Legion branches and N.E.S. offices of an itinerant welfare officer's visit, often use the opportunity to seek his advice.

The CHAIRMAN: I think that study will be very helpful, Mr. Parliament. Perhaps the members would like to have a look at it because some of them might want to ask questions on it. Are there any extra copies available?

The WITNESS: No. But this statement could be stenciled.

The CHAIRMAN: We shall probably not have the record printed this week. Therefore if your statement can be stenciled it could be sent out to the members by mail as quickly as possible.

We are unable to get a room in which to have a meeting, as we had hoped, on Tuesday. I am asking the steering committee to stay for a few minutes after this meeting and perhaps we can agree to meet before Thursday. If not, we shall meet again on Thursday in this room at 3:30.

Mr. PHILPOTT: This bill goes into effect only when it has been passed.

The CHAIRMAN: Yes.

Mr. PHILPOTT: Surely, with a lot of people waiting for this increase, we might get on with it faster than this.

Mr. BROOKS: Another few days would not hurt; they have already waited three years. It certainly can be made retroactive.

The CHAIRMAN: We will discuss that in the steering committee. I was very disappointed that we could not meet tomorrow; but there are about six or seven other committees meeting, and while we attempted to reserve a room ahead of time, there was a misunderstanding and we failed to get one. So we shall adjourn now. I would ask the steering committee to remain behind for a few minutes.

EVENING SESSION

8 p.m.

The CHAIRMAN: We have a quorum, gentlemen, and we will come to order.

The first item of business is the third report of the steering committee, which is as follows:

Your Sub-committee met at 12.30 o'clock p.m. on Monday, March 21, 1955, with the following members present: Messrs. Bennett (Grey North), Brooks, Gillis, Green, Quelch and Tucker, and agreed to recommend:

That the Committee continue the hearing of departmental officials and then proceed with a clause by clause consideration of Bill No. 164 at meetings to be held as follows:

Monday, March 21st at 8.00 o'clock p.m.

Thursday, March 24th at 8.00 o'clock p.m.

Friday, March 25th at 3.30 o'clock p.m.

Monday, March 28th at 10.30 o'clock a.m. and at 8.00 o'clock p.m.

Tuesday, March 29th at 3.30 o'clock p.m.

Thursday, March 31st at 8.00 o'clock p.m.

Friday, April 1st at 10.30 o'clock a.m.

All of which is respectfully submitted.

Those meetings are all in this room except for the one on March 31, which will probably be in room 277. The steering committee decided to set the dates so far ahead because of the difficulty in getting meeting rooms for the committee, and also because if we do not arrange for them several days ahead, we will find that we will probably be in the same position as we are for tomorrow; we will not be able to have a meeting at all. We have endeavoured not to have a conflict any more than necessary with other committees on which members of this committee also wish to serve. That is the report of the steering committee, gentlemen.

MR. GREEN: Mr. Chairman, were you able to arrange with Mr. Picard about the Thursday evening meeting?

The CHAIRMAN: I tried to get in touch with Mr. Picard, but was unable to do so; therefore I sent him a letter giving him the dates and telling him that we felt that he should try to co-operate by as much as possible avoiding conflict with our meetings. Just as soon as I can see him I will. Is that agreed?

MR. CROLL: I move the adoption of the report.

Agreed.

Now, the deputy minister has stated that the welfare officer's report form which was asked about this morning has been circulated to all members of the committee. I suppose the members of the committee have had a chance to look it over. Also there has been circulated to the committee the declaration of income and assets form which is sent, as I understand it, to each war veteran allowance recipient to complete once a year. Is that right?

Mr. F. J. G. Garneau, Chairman, War Veterans Allowance Board, called:

The WITNESS: That is right.

The CHAIRMAN: Also the members of the committee will have received a mimeographed copy of the statement of Mr. Parliament given to us this morning. I suppose our first item of business could be to deal with Mr. Parliament's statement.

MR. GOODE: There is still one other paper to come, the chit which was mentioned this morning.

MR. PARLIAMENT: Mr. Chairman, we have found one of these chits for 1948. It is the only one available. We can have mimeographed copies run off. This was sent along with the cheque to the W.V.A. recipient with the English statement on one side and the translation in French on the reverse side.

MR. GOODE: Could we have that done, Mr. Chairman?

The CHAIRMAN: It can be read and then included in our record. Would you read it, please, Mr. Parliament?

Mr. PARLIAMENT: This is marked in large print "IMPORTANT". Then there is another heading, "INFORMATION FOR YOU ABOUT THE WAR VETERANS ALLOWANCE ASSISTANCE FUND".

What it is—

It is money approved by parliament which permits the Department of Veterans Affairs to add to the amount of War Veterans' Allowance in case of need.

How it works—

When applications are made to the Department of Veterans Affairs it looks into them carefully and if this additional "assistance" is required it is authorized.

Who can be helped—

Any veteran or veteran's widow in receipt of full War Veterans' Allowance who is in need. Mostly these are veterans who have no other income and no casual earnings.

How much help can be given—

In the case of widows or veterans with no dependents the allowance can be supplemented by \$120 annually. In the case of married veterans the maximum is \$180 annually.

How to apply—

Write or go in person to the Veterans' Welfare Division at the nearest district office of D.V.A. A D.V.A. Welfare Officer will go into your case with you and if the regular allowance of \$40.41 or \$70.83 is not sufficient to take care of your needs help from the "Assistance Fund" will be considered.

FOR MORE INFORMATION

Write to or call at the nearest office of the Department of Veterans Affairs.

This was based on the 1948 rates.

Now, in the mind of the deputy minister and myself there was another one which went out in 1952 very similar to this, which we have not been able to locate. Since this notice went out—the assistance fund was introduced in 1949—welfare officers have been instructed when taking in new applications for war veterans' allowance to discuss with the applicant his entitlement or eligibility for help from the assistance fund.

The CHAIRMAN: Is it agreed that we include this in the record?

Agreed.

We can now have questions on the statement of Mr. Parliament and then pass on to the statement that the war veteran recipient is asked to sign. After that we can take the other statement, the welfare officer's report form.

Mr. WHITE (*Hastings-Frontenac*): Mr. Chairman, I would like to ask a question about the yellow form, the declaration of income and assets. When speaking to Colonel Garneau the other day he told me casual earnings did not have to be reported. The last item of Section A on this says: "Income from

any other source (give details)," and underneath that in large letters it says: "Failure to disclose all income may result in cancellation of allowance." I would like to know if it is correct that the casual earnings do not have to be reported on this form and how it is tied into those two items there?

The CHAIRMAN: It was the deputy minister who made that statement and he said he was going to be a few minutes late this evening. He might want to explain it himself. In fact he told me he wanted to explain that point at the meeting tonight. Could we take your question when he arrives?

Mr. WHITE (*Hastings-Frontenac*): There was another question. Would it be possible for Mr. Garneau to explain to the committee, when they take the first application from the veteran, as to exactly what assets the veteran and his wife may have in the way of capital assets and in particular where the veteran or the veteran's wife owns a dwelling house in which they reside, what is the very maximum permissible value of that house?

The WITNESS: According to regulations the maximum assets permissible, which are not otherwise spelled out or itemized, are \$2,000 for a married couple and \$1,000 for the single recipient or a widow or those without dependents. That covers stocks, bonds, money in the bank and items of that kind. Property of the recipient is exempt to the amount of \$6,000, but there has been no account taken so far of the value of an extra dwelling under the present regulations. If it is revenue-bearing the revenue is taken into account as ordinary income, but there has been, as yet, no value placed on such property as personal property or liquid assets. The liquid assets are, as I said money in the bank, bonds, stocks, any other readily negotiable securities of that type.

Q. What could happen in the case of a veteran, with the inflated values of today, supposing his house was worth \$7,000 or something like that?—A. We take into account the actual equity. The equity of a veteran is the capital value which we take into account when we assess the exemption on the basis of \$6,000. He may have property worth \$7,000 or \$8,000 at present day market values, but that will not necessarily be taken into account. If his capital investment in that property is shown as \$5,000—he has, maybe, a mortgage for the balance—we only count the actual money invested.

Q. Suppose he owns a house outright at \$7,500?—A. If it is over the amount of \$6,000 I have mentioned, we assess excess income at five per cent; that would be assessed at 5 per cent on an annual basis, which would represent \$75 on a difference of \$1,500.

Mr. WESELAK: No lesser value qualifies below \$6,000?

The WITNESS: No.

Mr. ROBERGE: Is the location in a town or community assessed by the inspector?

The WITNESS: We generally ask a man to produce his agreement of purchase or sale or any proof of the actual money he has invested in that property, and we only deal with the individual property without taking into account the relative value as affected by its situation in the community.

By Mr. Pearkes:

Q. A recipient has liquid assets of \$2,000—can you give the committee any idea as to the amount of income he will be likely to receive from that amount of money in bonds or stocks?—A. That is provided in the Act itself. He is allowed an income of \$25 from investments. A sum in excess of \$25 would be taken into account in assessing the rate.

Q. \$25 during the whole of the year?—A. Over the whole of the year.

Q. And that would be from one investment or from several investments?—
A. From one or several investments. He has a permissible income of \$25 from stocks or bonds or things of that kind. That is set out in section 6(2) of the Act.

Mr. BENNETT (*Grey North*): I do not think that is what the General is asking.

The CHAIRMAN: Order. It is very difficult for the reporter and for the rest of us to hear.

By Mr. Pearkes:

Q. What amount of capital would be required in your estimation to produce that \$25?

The WITNESS: That would be about \$1,000 in, say, government bonds at 2½ per cent.

Q. If a man has \$2,000 he is not allowed to get any interest from that \$2,000 he has invested?—A. Oh yes, but it has to be taken into account under the present legislation. Any amount in excess of \$25, if it is shown to be gained from investments, must be taken into account. If a man receives \$50, for instance, from these investments we would have to take the extra \$25 into consideration for the purpose of the Act.

Q. Oh yes, but the \$25 that he is allowed does not count as against permissible income. I see. I was trying to get at the idea of how much income a man would be able to derive from the \$2,000 he had—whether he would be able to count that full amount.

Mr. MACDOUGALL: If he could get 10 per cent . . .

Mr. PEARKES: Where would he get 10 per cent? Can you get 10 per cent? If you could, I would like to buy some of that stock.

The WITNESS: Here is the section of the Act which deals with that question. It comes under section 6 1 (i) and it says:

Notwithstanding anything in this Act or the regulations the following receipts are not income for the purpose of the Act.

Subsequently, it says:

Interest on bank deposits and bonds and dividends and shares in the capital stock of any company to the extent of \$25 per annum from all sources.

Mr. PEARKES: In the Legion brief you will remember that the president of the Legion referred to the hardship caused to people who by thrift and forethought—those were the words he used—had accumulated certain savings. Have you any suggestion as to how more encouragement could be given or more help could be given to those who have, by thrift and forethought, set something aside, so that they can increase their income from bonds over and above \$25 a year?

The WITNESS: I am afraid, Mr. Chairman, that I may be going beyond my depth or prerogatives in suggesting what could be the answer to that question. That is a matter laid down in the Act. We are really not making the legislation, we are only administering it and I do not think I should suggest what the answer or the remedy could be in the case you have mentioned.

Mr. BROOKS: Would not raising the ceiling do it?

The CHAIRMAN: Members of the committee all understand that the official should not be asked to comment on questions of policy.

Mr. PEARKES: I am sorry if I asked you a question of policy, but I was just trying to grope to find out what you might think could be done to meet such cases. Many such cases have come to my notice—instances where people could either not get the allowance or have had their allowances reduced on account of this section.

Mr. WESELAKE: What would be the position if a veteran had personal liquid assets assessed at \$1,000 or perhaps \$2,000? Is he automatically disqualified or would the department take the excess and average out for a period of years?

The WITNESS: It is automatic. If he has assets over \$1,000 or \$2,000 in the case of a single or married recipient respectively, he would be disqualified against continuance of the allowance until such time as, in the ordinary course of maintenance or in the course of ordinary living, the excess income would have been absorbed.

Q. Under the Old Age Security Act any excess over \$1,000 or \$2,000 is averaged over a five-year period.

Mr. MURPHY (*Westmorland*): In the matter of property exempted up to \$6,000, does the recipient have to live on that property?

The WITNESS: Yes sir.

Mr. MURPHY (*Westmorland*): In the case of a veteran who has property worth less than \$6,000 but this property is in a remote area, a rural area, and he finds it necessary to move to the nearest city or town for medical reasons to be near hospitals and doctors, and he rents the property which he owns and pays an equal amount of money in the town; would that disqualify him?

The WITNESS: It would actually disqualify him under the exemption if he does not reside on the property. The act is fairly specific—it is quite specific—on this point. This is the same section 6 of the Act to which I referred previously, subsection 2:

In determining what shall be deemed to be the income of a recipient from any interest in real property, the value of any premises in which the recipient resides shall be taken into account only to the extent that it exceeds six thousand dollars.

So, as far as we are concerned, that is fairly clear that he must continue to reside on that property. Otherwise, if he rents it, the income on that property would be taken into account.

In our regulations, where a property "is revenue bearing and not used as a residence by the veteran, consider as income the net revenue therefrom after deducting reasonable and necessary expenses of maintenance other than any payment of principal on any mortgage or agreement for sale thereon."

Mr. QUELCH: If a veteran's liquid assets are found to be over \$2,000, I think you said that the interest would be figured out on that excess, and that would be deducted.

The WITNESS: No, sir. That applies only to the real estate property on which he resides. In the matter of personal property, in the sense of liquid assets, he would be out of court. The recipient would be disbarred from consideration until his liquid assets, negotiable bonds and so on, be at \$2,000 or below.

By Mr. Harkness:

Q. What is the situation with regard to income when a man has a small farm, if he gets certain oil rights on that farm? Can he include that income with the gross and take 25 per cent of it?—A. We have not as yet been faced with such a situation.

Q. It is a case that I sent you a few days ago. As a matter of fact, this has been going on for years.—A. If it is a case that is actually under consideration I would not like to give an opinion just now, since it might be considered sub judice.

Q. I was trying to find out the general position with regard to an income of that kind. It is income from a farm, and so I wondered whether you could put it under gross income from the farm or whether it would have to be treated in the same way as if it were income from a bond.—A. I am afraid that it would not be regarded as income from a farm, since it is a royalty paid for minerals or oil found on the property. It is not the result of farming operations as contemplated by our directive on farm income, where I think I underlined that it was mixed farming, grain farming or, in other words, straight farming. I do not know if that answers the question.

Q. In other words, there is no general ruling on that? You will consider it as you would income from a bond?—A. I would, personally.

Mr. BALCOM: Coming back to Mr. Murphy's question, if a man was forced to move from the country to the city to be near a hospital, for instance, would there not be an adjustment between the rental he might receive from his country house and the rental he has to pay in the city?—A. Not actually.

By Mr. Goode:

Q. Could some officer of the department give us the history of section 20 on page 5 of the W.V.A. Act of 1952? What has been the experience of the department as far as prosecutions are concerned? Have there been many? What is the average per year?—A. I am afraid that I could not answer that with statistics. There are not very many of those prosecutions under that section. Actually I could not hazard a guess at the number. I am afraid that we would have to look up records to give you a more accurate answer. I am told by the director of the legal division that there are actually less than half a dozen so far.

Q. Per year?—A. Altogether about half a dozen that went into court since 1952.

Q. Six in over two years? That is remarkable. What that means is that you do not ordinarily prosecute?—A. We try to avoid it if possible.

Mr. QUELCH: Do you make a reduction in the payments?

The WITNESS: We try to recover the overpayment by means of a deduction on the allowance.

By Mr. Harkness:

Q. Have you any figures as to the number of people from whom you are now attempting to collect overpayments out of their allowances?—A. I am afraid I could not answer that question offhand, but I could find out and let you know.

Q. Does any provision exist whereby these overpayments can be written off or forgiven or compounded, or anything of that nature?—A. I believe that there are regulations under the Financial Administration Act providing for the writing off of certain overpayments as uncollectible debts, but I am afraid that I do not feel competent at this very moment to make a statement on that. I believe that with regard to the Financial Administration Act the Treasury Branch could answer that a little more accurately than I could at the moment, although I will be very glad to try to find out.

Q. I would like to know how many people are in this position, where overpayments perhaps run back five or six years and in which an attempt is being made to collect at the present time; and also what provisions there are for writing them off under the Financial Administration Act. I know personally

of at least two cases where people are in an absolutely hopeless position. They have overpayments running back for several years and, as far as I can see, there is no chance of their being cleared. So much is being deducted all the time that the result is constant trouble for everybody.—A. We will try to find out and give you the picture on that.

By Mr. White (Hastings-Frontenac):

Q. In the case of a veteran who has been overpaid, when you have been collecting back payments, if that veteran should die, is a claim made against his estate?—A. No, sir.

Q. That ends it?—A. Yes.

Q. If his widow should be eligible to receive the allowance, there is no attempt—A. No attempt is made to collect from his widow.

Mr. HERRIDGE: I should like to bring to the attention of the chairman, the deputy minister and Mr. Parliament, because they are very sympathetic, a most unusual case. I have usually found that the administration is very fair and does everything possible to invoke the regulations to assist persons involved. I am going to recite something that happened to a man in my province—I shall not mention his name. It is a most unusual case, but it caused a great deal of distress. This man returned from the old country and married his wife in Revelstoke. He came to the Arrow Lakes district where he has lived ever since as a married man with his wife. Two years ago he applied for the war veterans' allowance. When he came to prove that he was a married man, he found that the government records in Revelstoke had been misplaced, the church records had disappeared, his home had burnt down, he had lost his marriage certificate, and there was no way of proving from records that he was married, although dozens of people could swear to having knowledge of these people being married and attending the celebration and everything else. That was not considered enough by your officials. Finally, last year, in order to get the war veterans allowance they had to get remarried. Now you can just imagine what that very strait-laced lady said to me: "This department said that we were living in sin for all these years." It is an unusual case, but I would suggest that under circumstances like that it was not really necessary to have these people go through another form of marriage, when hundreds of people had known of their marriage in the church in 1920 and so on. I think that in a case like that they could have been spared that experience. It is not a very nice thing, especially for someone who is very interested in church work and all the rest of it. You can imagine what all the other people would say when they had to go and get remarried. I would like to ask if it would not be possible, under circumstances like that, to have affidavits from responsible citizens, clergymen, magistrates, and people of that sort to prove these circumstances rather than to have to go through that rather unpleasant experience.

Mr. MACDOUGALL: Or from responsible M.P.'s?

The WITNESS: I would be glad to look again at the case you refer to; but I am only assuming that the district office in that case must have tried to establish that these people actually were married. I do not know that a mere affidavit from a few close friends to the effect that something had been done, that a marriage ceremony could have been performed, and giving it to the best of their knowledge and belief, would actually suffice. I do not know whether that would be the way to consider that there was sufficient proof of an actual wedding or marriage, a legal marriage having taken place.

Under the present Act there are people for whom a marriage is not possible because of a previous marriage. Those are the people we deem to be married for the purposes of the Act, where there is an actual legal impediment; but where there is no legal impediment, the board—and I suppose the district

authority—would feel the need to be satisfied that these people were actually married. And in the absence of proof, they were probably counselled to get remarried again.

I understand it must have been somewhat of a blow or surprise to these people to be asked to do that. If I remember correctly, a good many years back, it was harder to get records and things like that. So the board used to ask them—unless it was a case which might create a scandal—if they would mind going through another marriage ceremony just in order to straighten the record and leave no doubt about it.

And I would say that in the case of the few numbers—there may have been a dozen or so—there were probably eight or ten of them who never objected to it. They found it annoying, but they just went to the clergyman or to the priest and got remarried and sent in their certificates and that was that. Of course the reaction depends on the individual. I understand that.

The CHAIRMAN: Mr. Herridge, I would suggest that you give the name of this person confidentially to the chairman of the board because there may have been some other factors in it that you did not know about.

Mr. HERRIDGE: I will do that. I understand that if these people had been living together as common law man and wife, they would have been accepted, but they were not willing to do that because they were not; and as a consequence the veteran was paid as a single veteran for quite a considerable time before he could persuade his wife to get remarried.

The CHAIRMAN: The regulations say:

Marital Status

For the purpose of enabling the District Authority to consider the eligibility of an applicant in respect of marital status, the District Authority may accept a certificate of marriage or, if no such certificate is obtainable, such other evidence corroborative of the statement of the applicant or his spouse as it deems satisfactory.

I have no doubt anyway that reputable people who were present at the wedding would have been prepared to swear to it and that their evidence would have been accepted; so there must have been some other factor in it, of which perhaps you did not know.

Mr. PEARKES: Would a recipient who keeps a common law wife be eligible to be considered as having married status?

The WITNESS: Yes.

Mr. LALONDE: Yes, provided he is not in a position where he could contract marriage, because he has a legal wife still living. That is the common law union which is contemplated by the Act. Where he is prohibited from being married to the woman with whom he is living, she usually can be recognized as his common law wife.

Mr. PEARKES: That would mean that he either had another wife, or that she had another husband living.

Mr. LALONDE: It would be.

Mr. PEARKES: In the same manner, if she had no husband, or if he had no other wife, then she would not be considered as a common law wife and would not be eligible for the married status?

Mr. LALONDE: That is correct. We presume, in this case, that they should get legally married since there is nothing to prevent them from doing so.

Mr. MACDOUGALL: Where you have what might be termed a dual married status, where for instance the husband has been divorced from his wife and

he has chosen to live the life of a common law husband with another woman, is it not true, under such a set-up, that the war veterans allowance must be paid to the children of the first marriage?

Mr. LALONDE: To the children?

Mr. MACDOUGALL: Yes, where there were children of the first marriage. I have a case of it in Vancouver where it is being done.

Mr. LALONDE: The allowance is never paid to children unless they are orphans. Could it not be a disability pension?

Mr. MACDOUGALL: What is that?

Mr. LALONDE: A disability pension.

Mr. MACDOUGALL: It is the veterans allowance, but he does get a certain percentage of disability pension, yes.

Mr. LALONDE: That is probably the amount that is being paid to his children, because the allowance is only paid to the veteran on behalf of his children if they are residing with him or maintained by him, or to the widow with children; the allowance is never paid to the children directly.

By Mr. Philpott:

Q. Suppose a person applies for the W.V.A.; he is supposed to have a \$6,000 house; but instead of having cash he has a small monthly superannuation. What is the limit of the pension?—A. It would be regarded as income.

Q. What is the limit?—A. "Other income"? There is no actual amount. It would be governed by the ceiling of the Act. Suppose a married veteran has now got \$90 war veterans allowance, or suppose he is entitled to get that amount; then he gets his superannuation of \$10. There would be no deduction because he would be automatically at the present ceiling of \$100. But if his superannuation was \$25, there would have to be a proportionate reduction of \$15 on the war veterans allowance in order to keep him at the maximum permissible ceiling.

Q. What I am getting at is in the case of a person who would otherwise be barred out. If he had more than \$2,000 cash, plus a \$6,000 house, he could buy a government annuity of \$2,000 cash, and get it down to \$10 or \$15 a month, and he would then be eligible.—A. That is correct.

Q. That is what I wanted to know. Thank you.

The CHAIRMAN: If there are no further questions could we now proceed with the consideration of the bill clause by clause?

Mr. WHITE (*Hastings-Frontenac*): Would the deputy minister answer the question I asked?

The CHAIRMAN: Mr. White asked a question before you arrived this evening, Mr. Lalonde, regarding disclosure of income on the declaration form.

Mr. G. L. Lalonde, Acting Deputy Minister, Department of Veterans Affairs, called:

The WITNESS: Mr. Chairman, I do not know whether the chairman of the board has explained the purpose of this form. Actually the declaration of income and assets is not filled by every recipient. It is used in order to reduce the number of investigations that otherwise would have to be made each year. There are certain people, for instance all those who are 70, whose status does not change too often, and I think it would be a loss of time and a loss of money to have investigators go around to see them each year. So, in order to avoid the necessity of doing that, the board has used this form which is being sent out to a group of recipients to take the place of an investigation.

The recipients file this sometimes every year, sometimes every two years, depending on their status, and in it they give to the district authority and to the board certain information about their financial situation. When that comes in to the district authority it is studied by them and, if they see something unusual, the district authority requests that a welfare officer go to see that recipient. Therefore the only purpose of the declaration is, as I have said before, to avoid too many investigations and to serve as a signal to the district authority that they should look into the financial or welfare situation of that person. But in no cases is the form used to adjust the allowance. With that in mind the chairman of the board and myself had a little talk this afternoon and we have come to the conclusion that with the new policy on casual earnings the form should be given a second look and probably be amended after the bill has gone through and the new regulations can be drawn up. I think that the words "Failure to disclose all income may result in cancellation of allowance" may legally be too strong because a recipient does not necessarily have to report something that will not affect the rate of his allowance. However it is necessary, I think, for the district authority and the board to know that a recipient is getting casual earnings, because you will agree that even those who know something about casual earnings are not always able to determine whether certain earnings are of a casual nature in accordance with the instructions of the board. Therefore, I think it is important that there be some indication that a man may be having casual earnings or that he may not have had any casual earnings, so that we can look into his situation further. But, I agree with the members of the committee that this formula at the bottom of the form may be too strict and we will certainly be glad to take another look at it.

By Mr. Hanna:

Q. Mr. Chairman, I think we all appreciate the explanation which has been given by the deputy minister, but I would like to draw his attention to the bottom of the reverse of the form. We have another notice there, "Failure to complete and return this declaration within thirty days will result in suspension of allowance". I think that is also a little harsh and I would suggest that the deputy minister take another look at that when he is revising the form and perhaps alter it a bit.—A. That is a little different because, if a recipient fails to report income which affects his allowance, then he definitely is contravening the terms of the Act; we want to avoid the very situation which has been referred to here about overpayments having been created and dating back a year or two or three years. There is no way of catching these overpayments until we have a report on them.

Q. That is true enough, but I have in mind some of the remote areas in the middle of the winter. I understand this form is sent out early in the year and all people away from the post office might not be able to get this within thirty days, and it occurred to me that the thirty days' period might cause them undue worry and concern.—A. We will keep that in mind.

By Mr. White (Hastings-Frontenac):

Q. It is correct, then, that casual earnings do not have to be reported on this form?—A. What we propose to do, Mr. White, is to divide this form to cover other income which affects the right to the allowance and exempted income which does not affect the right to the allowance, but which is information that we think the district authorities should have in order to follow it up. It may well be, for instance, that we know the recipient has a child and yet he does not report any family allowance. That is something we should look into and perhaps find out why he is not getting the family allowance. It will not affect his allowance, but I think it is information which we should have.

Q. Will the family allowance cut it down?—A. It is exempted income.

Mr. QUELCH: Under the form in its present shape the veteran would have to report casual earnings?

The WITNESS: That is why we think we want to amend the form.

Mr. MACDOUGALL: Pursuant to the question raised by Mr. Hanna I think all the people from British Columbia will remember that last year a certain recipient of war veterans' allowance had not reported what to him was income; he was an old stevedore who had been working fourteen months down at the dock in Vancouver and had earned a little in excess of \$8,000, which he did not report. I am not speaking of anyone in remote areas at all; but unless there was that section in there it is possible that the department would not have been able to have caught up with him for a great number of years.

Mr. DINSDALE: On this point, would the allowance automatically be suspended if he failed to report within the thirty-day limit or would an investigator be sent out before the suspension was put into operation?

The WITNESS: Mr. Chairman, I am afraid I cannot state categorically that in any district office there has never been such a case of suspension. But I know that we do not like the idea of suspending the allowance or cancelling it without making sure of the grounds and we never do it arbitrarily. It may have happened. Members of the district authority are human like everybody else. However members of the district authority are mostly welfare officers and if a thing like that happens they would want to know what is going on and they would call for an investigation to be made before taking action.

Mr. PEARKES: I am referring you again to income from boarders. Are they permitted to deduct the actual cost of the food?

Mr. GARNEAU: I think that was stated in the declaration which I tabled, that room and board up to \$50 is deducted. It is recognized, admitted and taken for granted that there is no profit in room and board up to \$50 a month.

The CHAIRMAN: That was covered in the proceedings this morning.

By Mr. Hanna:

Q. Before you go on to a detailed study of the bill, I would like to ask one more question of a general nature. I think we are all aware that widows can get allowances at the age of 55. What happens when a veteran who is a recipient of war veterans allowance dies leaving a widow aged, say, 53 or 54 who may not be able to maintain herself by gainful employment?

Mr. GARNEAU: A widow under 55 is entitled to apply for war veterans allowance and she gets her case processed in the same way as a war veteran himself under the age of 60. It must be established that she is permanently unemployed or that she is so handicapped as to be unable or unlikely to be able to maintain herself. In other words, she undergoes a medical examination and is assessed the same way as a veteran himself is for the purposes of the Act if she has not reached the age of 55. If she is found to be permanently unemployed she will get the allowance as a right.

Q. If I may make a further comment. That is another thing which is not generally known, I think, because I have here a resolution of the Ladies Auxiliary of the Army, Navy and Air Force Veterans of Canada, referring to the question, and apparently they are not aware of the provisions.

Mr. GARNEAU: That procedure has been in effect for a long time, and I am a bit surprised that they would not know about it. Upon the death of a veteran who is in receipt of an allowance at married rates or was in receipt of such an allowance within a year of the date of his death, his widow is automatically entitled to consideration under section 5 of the Act irrespective of her age or

state of health. She is entitled to continue to receive this allowance at the married rates for twelve months following the date of her husband's death. Supposing we are dealing with a widow of 50—she must then apply to the district office which generally re-opens the case a month or two before the expiry of the 12-month period, and allows her to apply for a widow's allowance.

Mr. QUELCH: Is the case re-opened on her application or automatically?

Mr. GARNEAU: It is opened automatically.

Mr. BROOKS: On page 2 of Mr. Parliament's report on living allowances, it says the welfare council in metropolitan areas is concerned with the problem of elderly people living alone. Has anything been done in connection with the establishment of old veterans' homes in centres throughout Canada?

The WITNESS: Do you mean, Mr. Brooks, with respect to additional construction?

Mr. BROOKS: In Australia, we are told, they are building quite a number of these older veterans homes. The old veteran can be a very lonely person. I was wondering whether in Canada we are making any special effort to found homes for the older veterans in different centres in the larger cities.

The WITNESS: What we are doing at the moment, Mr. Brooks, is this: we really think that we should not embark on a greater program of construction of old men's homes for veterans. At the moment we have a certain number of these places. They are not full all the time and we find that about 50 per cent of those who are in these homes require active treatment. There is a continuous flow between what may be called the domiciliary care home and the active treatment hospital. We are told by our advisors in geriatrics that if you can place older veterans in pleasant surroundings where they are not entirely with other veterans, it usually is good for their morale. Whether that is true or not I do not know, but Dr. Wallace Wilson of Vancouver, who appeared before the committee, has been very emphatic in his recommendations, after two years experience in dealing with the geriatrics program, that we should do it. Some veterans cannot live by themselves. They should be placed in the community in pleasant surroundings. We do have quite a few veterans in British Columbia living in old folks' homes with perhaps some pleasant company.

Mr. MACDOUGALL: Mixed company?

The WITNESS: We do not think that a large program of construction of veterans' homes can be recommended. I do not know whether that answers your question.

Mr. GILLIS: Has any consideration been given to the possibility of considering superannuation pensions, by a certain amount anyway, as exempted income. You find practically every industry in this country today has a superannuation plan for which a man pays. A man works in an industry for 25 or 30 years and he pays for a pension that is going to give him \$60 a month on retirement. They are taking the position today that they are ineligible for a war veterans' allowance when they are 60, so they say, "Why should we pay for a pension and subsidize the veterans allowance?"

Many veterans are contracting out of superannuation plans on the ground that all they are doing is paying for a subsidy to the war veterans allowance. I think that is bad for morale, and that the department should give consideration to allowing a certain percentage of that pension, which they paid for, to be permissible income under the Act. The department should take a look at this question and consider making an exemption up to \$25 or \$30 a month, or some such figure. I think they should be encouraged to pay into these superannuation funds, because that would not cost the department anything. As it is today, they are paying into a pension plan that is merely subsidizing the government in so far as war veterans' allowances are concerned.

The CHAIRMAN: You understand I am sure that this again is a question of policy?

Mr. GILLIS: There is no harm in selling ideas to the minister.

Mr. WESELAK: For the purpose of establishing a payment in the case of a common law marriage, where an impairment is recognized, if the veteran dies, is the widow treated as a widow under the War Veterans Allowance Act?

Mr. GARNEAU: Yes.

Mr. WESELAK: Regardless of whether he was in receipt of a pension previously or not?

Mr. GARNEAU: No. He must have made an application and established to the satisfaction of the district authority that he meets the requirement of the Act, that is, that he has lived with that woman for seven years or more and has maintained her, and satisfied also the district authority that a previous marriage, either on her part or his, exists to prevent him from marrying that woman, in other words, committing bigamy. If those conditions are satisfied and he has made an application or he has been in receipt of the allowance, we continue logically to recognize the widow in the case of his death, as the widow of that veteran, as if he had been legally married.

Mr. WESELAK: Supposing he had not received war veterans allowance, the widow could not come in and establish that set of circumstances in order to qualify?

Mr. GARNEAU: No; there would have to be an application made to the district authority, but not necessarily an award made, during the lifetime of the veteran, because the Act requires that the veteran establish the grounds upon which he is making an award at married rates.

Mr. BENNETT (*Grey North*): But he would not have to be in receipt of the W.V.A.

Mr. GARNEAU: No.

The WITNESS: Mr. Chairman, if I may add this. The members of the committee have pointed out in the course of their questioning that there appear to be certain features of the Act which are not perhaps as well known as others to the public and the recipients. I think they have pointed out a situation which may require some action. So I should like to inform the committee that, immediately after the Act is passed and the regulations are drafted, we propose to issue a pamphlet which will be given to all recipients and will be available to the public, giving the highlights of the Act and an explanation about casual earnings, farm income, treatment, the assistance fund, and everything which interests the recipients. In that way we hope that all concerned will know exactly what they are entitled to, and what they should or should not do.

Mr. GREEN: Mr. Chairman, could these two forms be printed with the report of today's proceedings? I am referring to the declaration of income and assets under the War Veterans Allowance Act and to the welfare officers report under the assistance fund (W.V.A.).

The CHAIRMAN: They have been referred to and questions have been asked about them; I think that they should be included. If that is agreed, we will have each included as a separate appendix to the proceedings. Is that agreed?

Agreed.

(See Appendices "A" and "B".)

Mr. GREEN: There have been several questions asked about the first one I mentioned, which is the declaration of income and assets for the War Veterans Allowance Act, but I think that no questions have been asked about the other form, which is entitled Assistance Fund (W.V.A.) Welfare Officers Report.

I presume that that form comes under Mr. Parliament's branch of the department. I notice that there is a requirement to get the information concerning casual earnings. That is under the heading Monthly Exempt Income. Is that correct, Mr. Parliament?

Mr. PARLIAMENT: That is right, sir.

Mr. GREEN: And your officers are instructed to get answers to all these questions on the form?

Mr. PARLIAMENT: Mr. Chairman, I wonder if I could make one explanation. I should like to be absolutely fair. This report from which Mr. Green is quoting is the one that will be put into effect when the new Act receives Royal Assent. You will notice that in paragraph 6 there is provision for clothing and for personal allowance. This is not the form that the welfare officer is using at the moment, although it includes everything that is on the present form, with these additions. Casual earnings will be requested on this form.

Mr. GREEN: Is this report made each year on a veteran?

Mr. PARLIAMENT: Mr. Chairman, yes and no. If a veteran qualifies for a continuing monthly grant the V.W.O. completes another form only if a change in circumstances is reported. On rechecks we would probably obtain the same information in relation to war veterans' allowance, but this form would not be filled out again. It would be filled out in cases where a lump sum grant is given, and that might be, in some cases, perhaps twice a year. A veteran may apply in the fall for a lump sum grant to buy fuel. In the spring he might come in and ask for a grant for some other purpose, such as to repair his home, and he would fill out the form, and the grant would be made in a lump sum.

Mr. GREEN: Each time he applies for help of this kind, there must be an interrogation in accordance with the questions contained on this form?

Mr. PARLIAMENT: Except that, if it is a continuing monthly grant, he does not have to re-apply. That award might be continued for some years. We have had some in existence for three years, and the veterans' welfare officer has filled it in only once.

Mr. GREEN: Where it is a continuing grant, is there a check every year?

Mr. PARLIAMENT: Not necessarily, sir.

Mr. GREEN: What is the practice?

Mr. PARLIAMENT: The practice would be, as I think the deputy minister explained previously, that in some cases the veteran would divulge the information contained on the first application, and the welfare officer's report would indicate that another application is not necessary. He might be permanently unemployed, with no possibility of earning. I do not know how many such cases there are. I cannot at the moment say how many times these would be investigated. We are certainly not repeating investigations on these cases unless necessary.

Mr. GREEN: What proportion of the grants from the assistance fund are on a basis of once or twice a year by way of special payments or are in the form of a continuing payment but only for a year?

Mr. PARLIAMENT: I have been told, Mr. Green, by the research adviser that out of 5,000 grants from the assistance fund during the present fiscal year over 3,270 are on a continuing monthly grant basis.

Mr. GREEN: Have you the figures to show how often those are checked?

Mr. PARLIAMENT: No, I would have to get that from the district.

Mr. GREEN: You do not have that information?

Mr. PARLIAMENT: No.

Mr. GREEN: Then the other two thousand odd are subject to report each year, or oftener?

Mr. PARLIAMENT: On application, sir.

Mr. GREEN: I see. And then you show the expenditures under paragraph 5, and there are listed about fifteen items. Then you have under paragraph 6, AF Formula. Would you mind explaining to the committee what that means?

Mr. PARLIAMENT: It is the "assistance fund formula". My presentation today of how we operate is as follows: Let us take an actual case. The veteran's rent is \$40 or \$50, as the case may be; and that would go opposite rent. If there was any fuel or gas not included in the rent, that would be placed in the same column. I will assume that this is a married man with a wife and no other dependents.

\$55.87 would go in opposite food, \$13 for clothing, and \$8 for personal allowance, and any other items that might be specified; and the one I can think of is continuing medical care where the doctor might prescribe for the wife to the extent of \$2 or \$3 a month. That would be included, and all be totalled up at the bottom, and then the grant from the assistance fund would be the difference between this cost and his assessed income within the ceiling.

Mr. GREEN: Even if the cost is higher than your formula?

Mr. PARLIAMENT: That would be an automatic grant. I think when I worked this out, in presentation it came to \$107 for a married couple with \$30 rent in the above example. I raised it to \$40. Which would mean that his cost was \$117. Let us assume that he has some gas and electricity, which would bring it up to \$120. He could get the difference between his allowance of \$108 and \$120, and have a continuing monthly grant of \$12.

Mr. GREEN: The A.F. is your formula of what the average expenditure should be?

Mr. PARLIAMENT: Not in so far as rent is concerned. I tried to make that very positive. It is the actual cost of the rent to him, and the same with the fuel, gas, and electricity, as may be applicable.

Mr. GREEN: What happens, supposing his expenditure under paragraph 5 is \$20 higher than your formula under paragraph 6?

Mr. PARLIAMENT: We still could only give him the maximum monthly grant which is \$12—the difference between his allowance and the ceiling.

Mr. GREEN: There is not much point in taking in his expenditures if you can only give him the A.F. formula anyway plus an amount to bring it to the ceiling.

Mr. PARLIAMENT: It is not because of the formula. This is the formula we set out to show what his expenses are. If his expenses are over the allowance and within the ceiling, we give him the difference between his allowance and his actual expenditures or the ceiling, whichever is the lesser.

Mr. GREEN: Paragraph 5 is what the man actually spends?

Mr. PARLIAMENT: That is right.

Mr. GREEN: Suppose it costs him \$135 a month?

Mr. PARLIAMENT: Yes.

Mr. GREEN: On this item under paragraph 5, then what happens?

Mr. PARLIAMENT: If it cost him that amount of money, \$135, we would give him a continuing monthly grant of \$12.

Mr. GREEN: You would bring him up to the total of \$120 a month?

Mr. PARLIAMENT: That is right.

Mr. GREEN: On the next page under paragraph 8, it reads:

V.W.O'S NARRATIVE REPORT AND RECOMMENDATIONS—include deficiencies noted, sources of possible entitlement and assistance, follow-up action taken or planned. N.B. Health, special financial problems and O.A.S.P.

I presume that O.A.S.P. stands for old age security payment.

Mr. PARLIAMENT: That is right.

Mr. GREEN: What is the purpose of doing that?

Mr. PARLIAMENT: Many of these people do not realize that they are entitled to receive old age security. It is surprising the number we run across who are not aware of that.

Mr. GREEN: If they were receiving old age security then they would not be eligible for any assistance?

Mr. PARLIAMENT: That is correct.

The CHAIRMAN: May we now proceed to the actual bill? Clause 1—"Definitions".

Mr. WHITE (*Hastings-Frontenac*): Mr. Chairman, if we are now to start considering Bill 164, then I have a motion I would like to move. I do so at this time because I think it is the proper time to move my motion.

I move, seconded by Mr. Green:

THAT the Committee recommend that the Government give consideration to introducing legislation during the present session of Parliament which will provide that the maximum of total income, as set out in Section 1 of Schedule "A" to Bill 164, be increased to \$1,200, and in Sections 2 and 3 of that said Schedule "A" the monthly rate be increased to \$120, and the maximum total income be increased to \$2,000.

The CHAIRMAN: Do you want your motion to be considered, Mr. White, before we actually come to the sections covering the same points in the bill?

Mr. WHITE (*Hastings-Frontenac*): Well, Mr. Chairman, the reason I move the motion now is that I was afraid when it came to the particular sections it would not be in order then. From the proceedings of the committee in 1952 it will be noted that I moved a somewhat similar motion at the same time, and you, as chairman of the committee, apparently accepted it. After all, I am following the same procedure today.

The CHAIRMAN: I do not remember it. It would seem to me more regular just to deal with this when we get to the relevant clauses of the bill. Actually the bill is referred to us and the bill is our terms of reference.

It seems to me, therefore, that the time when this would be in order would be when we get to the clauses of the bill which is actually before us by order of the House.

Mr. Mutch was the chairman in 1952. That will be why I did not remember it. Just when was it dealt with?

Mr. WHITE (*Hastings-Frontenac*): I have it here. The date was May 23, 1952 and the page is 83.

The CHAIRMAN: Oh yes, I have it. It is referred to in the minutes of proceedings at page 83:

Mr. White moved that the Committee recommend that the Government give consideration to introducing legislation during the present session of Parliament which will give effect to the representations submitted to the Committee by the Legion and National Council of Veterans that the rates of allowance and the maximum total incomes set out in the schedules to Bill 181 should be increased.

After discussion, Mr. Jutras moved in amendment thereto that the specific recommendations of the Canadian Legion and the National Council of Veteran Associations of Canada be considered when the relevant clauses of Bill 181 are under discussion.

And a point of order being raised that Mr. Jutras' amendment was out of order on the ground that it was a negative of the main motion, and it being one o'clock, the Chairman reserved his ruling until the next meeting of the Committee.

At the next meeting of the committee they suspended consideration of War Veterans Allowance; and then on page 135 it reads as follows:

The Committee resumed consideration of the motion of Mr. White and the proposed motion of Mr. Jutras in amendment thereto.

After discussion and by leave of the Committee Mr. Jutras withdrew his proposed motion in amendment to the main motion.

And discussion still continuing; Mr. Croll moved the following proposed motion in amendment to the main motion. That all the words after the word "That" to the end of the question be struck out, and the following words be substituted therefor:

the Committee recommends to the Government continued and sympathetic study of the needs and requirements of recipients of War Veterans Allowance keeping in mind the recommendations of the Veterans' Organizations in that respect and particularly with regard to permissive income.

And a point of order being raised by Mr. Green as to whether the said amendment was in order, the Chairman ruled the proposed amendment in order.

And the question being proposed; Mr. Brooks moved that the amendment be amended by adding thereto the following words:

and give consideration to introducing legislation accordingly at the present Session.

After discussion the Chairman ruled the proposed amendment to the amendment out of order on the ground that it enlarges on the scope of the amendment and in support of his ruling referred to Citation 364, Beauchesne's 3rd Edition:

364. Since the purpose of a sub-amendment is to alter the amendment, it should not enlarge upon the scope of the amendment but it should deal with matters that are not covered by the amendment; if it is intended to bring up matters foreign to the amendment, the member should wait until the amendment is disposed of, and move a new amendment.

Thereupon Mr. Brooks appealed from the Chairman's ruling.

Mr. BROOKS: In 1952 the chairman ruled that the motion was in order.

The CHAIRMAN: Clearly he did not rule it out of order, anyway.

Mr. BROOKS: He accepted amendments at all times.

The CHAIRMAN: If this is decided now it will preclude it from being discussed when we are actually on the relevant sections of the bill. Obviously the time when we must consider it is when we are on those sections of the bill which were referred to us by the House. It seems to me it is a mistake to decide, before we get to the actual sections, what we are going to do about them. That is certainly putting the cart before the horse. The sections are

going to have to be considered when we get to them. Surely it is not the wish of the committee that this matter should be decided at once, before we get to the actual sections of the bill.

Mr. BROOKS: There are only the first and second sections before you come to the third section, when it would have to be considered anyway. It is practically at the first of the bill that it would have to be considered, and I do not see any objection to it being considered right now; and when we get to the bill we can go right through it.

Mr. PHILPOTT: Would it be understood that if we debate this now and settle it, we will not have to debate it all over again when we come to the sections?

The CHAIRMAN: We will have to debate section 8 in obedience to the order of the House since they have referred it to us. It seems to me it is out of order to suggest now something which is different from the actual section referred to us by the House. When we come to it we can discuss the section and any proposed amendment. But when there is a section in the bill before us, surely a member of the committee cannot anticipate what is going to come before us on that section by reference of the House, and move something now which deals with the same thing. In other words, we are in the same position where, when something is on the order paper in the House, a person cannot anticipate that and head off a debate on the actual items on the order paper by moving the same matter ahead of time, because that would make a shambles of debate.

Mr. GOODE: You can understand Mr. White's concern over it; I think we all do. Evidently he had some experience at some other time in a matter not being handled as you indicate we are now going to handle it. I believe that if you gave him your assurance that it will be handled on section 3 that he would be happy.

Mr. WESELAK: Was there a similar section in the bill before the committee at that time? We might have a different circumstance here.

The CHAIRMAN: For example, the first part of this motion reads:

That the Committee recommend that the Government give consideration to introducing legislation during the present session of Parliament which will provide that the maximum of total income, as set out in Section 1 of Schedule 'A' to Bill 164, be increased to \$1,200.

On that point we have a bill referred to us in our terms of reference, and we have started to consider it, clause by clause. The effect of this amendment, as I understand it, is that we would now decide not to pass it but to refer it back to the House and recommend that the government give consideration to introducing different legislation. That is different from the bill referred to us. Now, that is the effect of this amendment, as I see it.

Mr. GREEN: Mr. Chairman, this amendment really picks out the whole subject of controversy with respect to the bill, and it asks that the committee recommend back to the House that there be further consideration given to increasing the payments to the married veteran and raising the ceiling for the single veteran and married veteran to the figures requested by the Legion and the National Council. That would involve more than one section of the bill and obviously, if there is to be a recommendation of this kind made to the committee, it should be dealt with by the committee now, before we get into sections of the bill. Once we get into sections of the bill we cannot make a general recommendation of this type.

I think you will find on checking the record that there was a similar recommendation passed by this committee in 1953, and also a similar recommendation by the committee of 1952. Opposition members moved a resolution in com-

mittee and it was amended by the government members, and then that amendment was unanimously supported and went back to the House. Whether that happened in both those years, I do not remember; but it did happen in one, and I think in both. I do suggest that there is not any precedent for ruling a motion of this kind out of order at this stage. It can be brought up now. There is not much point in bringing it up later, certainly, in the wording it contains, if the bill, as referred to the committee, has been accepted by the committee. This is the whole question. This is what is at issue, and I point out that if this committee should recommend reconsideration, then there is a possibility that that reconsideration will be given, and that our old comrades will get a better deal on this question of the "ceiling" and higher allowance for the married veterans. They may or may not, but one thing is sure, that if this committee does not make a recommendation of this kind, then these old veterans will not get any further consideration than is contained in the bill. If this committee, which is composed of veterans, refuses to make such recommendations to the government, then there is not the slightest chance of the government being prepared to increase these "ceilings".

The CHAIRMAN: Let us not waste time. If you make an extended speech on this question, other members will have the same right; I am going to rule this out of order on the grounds of anticipation. We are on section 1 of the bill and you are proposing a change to section 8 of the bill. In other words, I have called section 1, and it is being proposed there should be a change in section 8.

Mr. GREEN: On that point may I say this: you said this afternoon, or earlier this evening, that when we had finished with the witnesses there would be a general discussion, and that was what I understood would take place. Then, you said a few moments ago, we would take section 1. But certainly my understanding was that there would be an opportunity for a general discussion before we started dealing with the sections. So please do not get on to such technical grounds.

The CHAIRMAN: Let me explain the ruling if you will, please. We have concluded the general discussion. I did not say we would have all kinds of motions which would be at variance with the bill as referred to us.

Mr. GREEN: We have not had our general discussion.

The CHAIRMAN: If it is felt there should be more discussion, that is all right. What we have before us is this bill. When the discussion is over the bill is still before us. I called section 1; and I am of the opinion that the amendment is to section 8.

Beauchesne's 2nd edition, at page 73, reads as follows: Paragraph 243:

In determining whether a discussion is out of order on the ground of *anticipation*, regard shall be had by Mr. Speaker to the probability of the matter anticipated being brought before the House within a reasonable time.

Obviously this bill is before us, and this very question is before us under section 8. We know it is coming up. Obviously I cannot properly permit the discussion of section 8 on section 1, which has nothing to do with it. If it is desired to have a further general discussion I am in the hands of the committee; but if it is a matter of moving motions which are amendments to sections of the bill which is coming before us I must be governed by the ruling on anticipation, because this section is going to be before us when we come to that section of the bill. I would ask that Mr. White reserve his motion until we get to the proper section.

MR. BROOKS: This motion is not an amendment to any section at all. We had the Canadian Legion before us; we had other organizations before us. They gave us evidence, and we have had no opportunity at all to discuss what they said or what recommendations they made. This motion of Mr. White's deals with the recommendations of these organizations which appeared before us, as a general recommendation. If these are taken up first and passed by this committee, then there is time for the government to consider, but if we wait until we come to this section and make our amendment, we are going to lose time.

The CHAIRMAN: Mr. Brooks, may I point out that this bill, dealing with this very thing, has been dealt with by the House and referred to this committee. If we were to pass this resolution recommending that the government should ask the house to pass something different from what it has already passed, we should be asking the government to ask the House to do something on which it has already passed judgment—another reason that this is clearly out of order.

MR. BROOKS: Are we to take it that there is no use having organizations and other bodies appearing before us and making recommendations? Surely there must be an intention that we should give them some consideration at least.

The CHAIRMAN: I am interpreting the rules. Am I not right?

MR. BROOKS: You are telling us we have got to stick to the bill as sent to us by the government. I am saying that is not fair to the committee or to the veterans.

The CHAIRMAN: Do you not think that it is my duty to enforce the rules?

MR. BROOKS: Evidently you are enforcing a rule which was not enforced in 1952.

The CHAIRMAN: I was not the chairman then.

MR. BROOKS: In 1952, it was after a discussion on Mr. White's motion. Mr. Justras moved an amendment, that the specific recommendations of the Canadian Legion and the National Council of Veteran Associations in Canada be considered when the relevant clauses of Bill 181 were under discussion.

And a point of order being raised that Mr. Justras' amendment was out of order on the ground that it was a negative of the main motion, and it being one o'clock, the chairman reserved his ruling until the next meeting of the committee.

At the next meeting of the committee we went on to deal with Mr. White's motion before we considered any previous sections at all.

The CHAIRMAN: I ask you, did not the House of Commons pass, on second reading as part of this bill referred to us, section 8? Having passed on it and referred it to us, the House of Commons has no right to deal with this matter until we deal with it.

MR. QUELCH: I believe the general practice in the past has been that, before we deal with individual sections, we have a general discussion. I would agree entirely that it would be out of order to move anything which would affect this section at this time. I think it would be a good idea to have a general discussion, because, when we come to each individual section, it is going to be important to deal in a general way with the whole question of permissible income; so I think we should have a general discussion before we start on the bill, and then we might proceed with the sections of the bill. Then, no doubt, by the time we reach the end of the bill, the general recommendations can be made to cover the amount of permissive income.

The CHAIRMAN: That is one way to do it. Another way to do it would be to consider the bill and the suggestions of the Legion and the National Council

to the extent to which they are covered by the bill, and to the extent to which we can discuss them on the bill; and then to the extent to which we have not been able to cover them in considering the bill we might then consider how we might, consistent with our terms of reference, make some suggestions in the matter.

The logical thing to do is to see what we can do to meet the wishes of the Legion which are dealt with in the bill, and then to the extent to which the members of the committee are not satisfied, it seems to me there will be no objection to discussing subject to our terms of reference further matters which have not been decided, section by section. If it is desired to have this general discussion, I have no objection to it, but we cannot have it on an amendment which is clearly out of order.

Mr. GREEN: It is now a quarter to ten. Perhaps it would be a good idea if we adjourned and if members thought over the situation. You, Mr. Chairman, could get your arguments ready in support of your ruling, and we could get our own arranged.

The CHAIRMAN: I do not care whether we have a general discussion now or have a discussion to the extent that is covered by the bill; and after we get through with the bill and recommend it to the House, have a general discussion then as to what we would like to see the government introduce legislation about. I point out to the members that until we report this bill back, no matter what we recommend to the government, the government has no right to introduce legislation, because it is bound by the rules, the same as any other member. Having dealt with the matter and referred it to this committee, it could not introduce the kind of legislation suggested here even if it wanted to. It would be ruled out of order by the Speaker. On our part before we can recommend anything like this we should act under our terms of reference and report the bill in whatever shape we decide to report it in. Having reported that bill, then we can decide to what extent we can properly do so to make other recommendations for consideration by the government. I think that, if the members will reflect on what I have just said, they will agree that this is the logical and proper way to go about this matter, and that this amendment is clearly out of order. So that the decks may be cleared, as I am so clear on it I am prepared to rule it out of order.

Mr. GREEN: I move the adjournment of the committee.

The CHAIRMAN: Well, it is a quarter to ten.

Mr. HERRIDGE: Before the motion to adjourn is moved, I should like to support Mr. Quelch's suggestion. I think that that is a logical way to proceed. We had a general discussion on section 1. When we come to the section in question, or any section which we wish to amend, we can move amendments at that time, and that will give us an opportunity to have the record in order and to deal with the questions in a logical way.

Mr. PHILPOTT: I would suggest this, without saying anything at all about the substance of this matter. Nobody on this committee thinks that any member is going to be choked off from saying anything he wants to say about anything, whether he thinks the ceiling is too high or too low. I do not see how anybody could expect that we could make any recommendations from this committee before we even discuss the bill ourselves. Before we decide what we think about the bill, how could we have the nerve to refer the whole bill back to the government, throwing it back into their lap, and completely interrupting the work of this committee? Surely the way to deal with it would be to pass the non-contentious clauses in this bill and then to debate the contentious clauses. Then, when we debate the title of the bill, if any member wishes to move a motion it could be debated then. In the meantime let us get on with the job.

The CHAIRMAN: It seems to me that Mr. Philpott's suggestion is so much in line with the proper procedure that it is clearly in order. Mr. Green do you wish to press your motion for an adjournment?

Mr. WHITE (*Hastings-Frontenac*): I suggest that you accept the motion to adjourn and make the decision later and give it to us next week. I point out, Mr. Chairman, that you say it is out of order. You should be guided to some extent by the decision of the chairman in 1952 in similar circumstances; and the remarks made by Mr. Green that the ceiling and the monthly rate, after all, are the only two points of any importance in this bill. As far as the other sections are concerned, there is probably very little with which anyone will disagree. I would suggest that it is only on these two points that there is going to be any discussion.

The CHAIRMAN: The reason why I wanted to dispose of this motion now is so that we could dispose of the non-contentious sections and get to the very sections you want to discuss. It seemed to me that we could get to those sections and be ready to take them up at the next meeting, if the committee would take these sections. Then we can deal with the points which Mr. White, Mr. Green and several other members of the committee want to raise and which are raised by this motion.

Mr. GREEN: You cannot take them tonight in any event, Mr. Chairman. It has been suggested that there be general discussion. You have agreed to that.

Mr. BENNETT (*Grey North*): No, we have not.

Mr. CAVERS: We did not agree to it.

Mr. GREEN: You do not think that there should be an amendment at this stage, but you have intimated that you are favourable towards having a general discussion?

Mr. BENNETT (*Grey North*): No.

Mr. GREEN: Why not let us start afresh at the next meeting and see if we can get this matter ironed out?

The CHAIRMAN: I do not think that we should argue about whether we have a further general discussion before we start the bill or later. Members can express themselves in either place. I would have preferred it to be brought up on the sections of the bill, but if it is the desire of the committee to have a general discussion arising out of those representations to us and what has been said by the departmental officials, I am quite agreeable; but I think that we should have an understanding before we leave tonight, so that we can get right down to business at the next meeting. I wish that Mr. White would withdraw this motion, and then we can discuss the question of whether we want general discussion now or whether we should take the bill section by section, and then, when we have dealt with it section by section, have any further general discussion which the committee want on the debate, on the preamble of the bill. I think that is the right way in which to go about it. Could we not have this motion withdrawn and then have a decision of the committee as to whether it wishes a general discussion before it takes the clauses of the bill, or whether it should take the clauses of the bill and have a discussion on the clauses, which I think is the proper way to do it? Any further discussion which it was not possible to hold on the sections could be held on the preamble. I merely want to save time, as you are all very busy people, and I am anxious to do it in an orderly way. I am clear in my mind that this motion—and I do not blame Mr. White for bringing it up, when it was done before—is not in order. I would prefer him to withdraw it. I hope that I have convinced him.

Mr. WHITE (*Hastings-Frontenac*): No, Mr. Chairman, you have not convinced me at all.

The CHAIRMAN: Well, I must rule it out of order, because we must proceed with our business and get some business done. I do rule it out of order for the reasons I have given, and I would like the committee to indicate whether they would like to proceed by taking the bill section by section or by having a general discussion.

Mr. WHITE (*Hastings-Frontenac*): If that is your ruling, I would appeal your ruling.

The CHAIRMAN: Mr. White has appealed my ruling. I suppose you wish the committee polled? Will you answer as your names are called whether you are in favour of upholding my ruling? Those in favour say "Yea" and those against "Nay."

CLERK OF THE COMMITTEE: The result is yeas, 19; nays, 6.

The CHAIRMAN: The chairman's ruling is sustained.

I wonder if we might not decide now on the question of whether we proceed to consider the bill clause by clause, or to have a general discussion, a further general discussion?

Mr. GILLIS: Mr. Chairman, the loss of that motion does not preclude the moving of the motion?

The CHAIRMAN: No, because it was on my ruling that the motion was out of order at the present time; but it can be raised again. Could we have the consensus of the committee as to whether we should consider the bill clause by clause?

Mr. CAVERS: Clause by clause!

The CHAIRMAN: Might we have a motion? It is moved by Mr. Philpott and seconded by Mr. Roberge that we proceed to consider the bill clause by clause.

Mr. QUELCH: Mr. Chairman, when you come to clause 3, which deals with the pension which will be paid to the spouse, you come to the amount of the allowance; will you allow a general discussion on the amount of the allowance, although it is only in connection with the spouse?

The CHAIRMAN: I think that everybody would want to have a pretty unfettered discussion as long as we are on the section involved, and as long as we go about it in an orderly way.

I have a motion that we now proceed with the bill clause by clause. All in favour will please raise their hands?

The CLERK OF THE COMMITTEE: Yeas, nineteen.

The CHAIRMAN: All against?

The CLERK OF THE COMMITTEE: Nays, none.

The CHAIRMAN: Then let us proceed clause by clause. And the first clause is clause 1, subsection 1, sub-paragraph (i), paragraph (g) of section 2 of the War Veterans Allowance Act 1952, chapter 340 of the Revised Statutes of Canada, 1952.

Mr. GREEN: Mr. Chairman, I move that we adjourn.

The CHAIRMAN: Will you let me put this section before the committee.

Mr. GREEN: No, Mr. Chairman, why start on the clauses?

The CHAIRMAN: Why may I not put it before the committee?

Mr. GREEN: What are you trying to do for goodness sakes! Let that be the first thing before the committee at its next meeting.

The CHAIRMAN: I wished to proceed in an orderly way. I was just putting it before the committee.

Very well then, it is before the committee and it will be taken as read. It is now almost time to adjourn.

Do you want me to put your motion, Mr. Green?

Mr. GREEN: Yes.

The CHAIRMAN: Agreed? Agreed.

The committee is now adjourned to meet again as decided by the agenda committee, on Thursday, March 24, at 8.00 o'clock in the evening.

APPENDIX "A"

WAR VETERANS' ALLOWANCE ACT

DECLARATION OF INCOME AND ASSETS

ALL QUESTIONS MUST BE ANSWERED

Service No..... Veterans' Allowance No..... Pension No. (if any).....

I, solemnly declare that I am the person to whom Veterans' Allowance under the above number was awarded, and that the following is a true statement of my income and assets:

Section INCOME FROM SOURCES SHOWN HEREUNDER (INCLUDING WIFE'S
A INCOME) DURING TWELVE-MONTH PERIOD ENDING THIS DATE:

War Veterans' Allowance	\$
War Pension	\$
Other Pension or Superannuation	\$
Workmen's Compensation (Paid from to)	\$
Unemployment Insurance Benefits (Paid from to)	\$
Provincial Old age Pension	\$
Provincial Mothers' Allowance	\$
Family Allowance	\$
Provincial or Municipal Relief	\$
Income from employment—Veteran	\$
Income from employment—Wife	\$
Proceeds of a Will, or Estate	\$
Income from rent of property	\$
Room and Board from children	\$
Income from other Roomers	\$
Income from other Boarders	\$
From sale of farm produce (gross)	\$
Donations received (give details)	\$
Have you any interest in a Business	
If so, give details and net returns	\$
Insurance Disability Benefits	\$
Proceeds from surrendered Insurance Policies	\$
Received from loans repaid	\$
Income from mortgage held	\$
Interest on Stocks or Bonds	\$
Income from any other source (give details)	\$
.....	\$
IMPORTANT—Total yearly income	\$

Failure to disclose all Income may result in cancellation of Allowance

Section I was married on

- B Is your wife residing with you and being supported by you?
If not, give date of separation
If you are a widower or separated and in receipt of married rates on behalf
of minor children residing with you, give names and ages of children
.....
.....

- Section** Have you resided continuously in Canada since award of War Veterans' Allowance was made?
- C** If absent from Canada during the past 12 months give
- (1) Date left (2) Date returned
- (3) Have you, or did you have, an Unemployment Insurance Book? If so, give book No.

ASSETS (INCLUDING WIFE'S ASSETS)

Section

D (A) REAL ESTATE:

(1) Description
Value Mortgage \$..... Interest % Taxes \$.....

(2) Description
Value Mortgage \$..... Interest % Taxes \$.....

(3) Description
Value Mortgage \$..... Interest % Taxes \$.....

Which of the above properties is used as your home?

If properties are rented, state rent received for each:

(a) Rent \$..... (b) Rent \$..... (c) Rent \$.....
Upkeep \$..... Upkeep \$..... Upkeep \$.....

(B) LIFE INSURANCE:

Veteran's: Amount \$..... Premiums \$.....
Wife's: Amount \$..... Premiums \$.....

(C) STOCKS, BONDS OR OTHER SECURITIES:

List and state present market value:.....
.....
.....

(D) BANK BALANCE THIS DATE:

Veteran: \$..... Wife: \$..... Joint Account: \$.....

The following declaration must be made by the Recipient before a Justice of the Peace, Commissioner for Oaths, Notary Public, Magistrate, Police Officer not under the rank of a sergeant, or FREE OF CHARGE before an Official of the Department of Veterans Affairs authorized in this behalf.

Declaration By Recipient

This declaration must be read to the recipient and his wife by the person taking the declaration.

I..... do solemnly declare that I am
(Recipient's name must be inserted here)

the recipient named in the foregoing declaration of income and assets under the War Veterans Allowance Act, that the statements and allegations contained herein are true, and that I have not concealed or omitted any information respecting my financial position, or that of my wife.

I further solemnly declare that I fully understand and I make this solemn declaration conscientiously believing it to be true, and knowing that it is of the same force and effect as if made under oath, and by virtue of the "Canada Evidence Act."

Declared before me at..... {
in the Province of { Signature of Veteran
this..... day of..... 195 {
..... Signature of wife
.....
Justice of the Peace, Notary Public, etc.

Note carefully:

Section 20 (1) of the War Veterans' Allowance Act 1952 reads as follows:
"Every person who, for the purpose of obtaining an allowance either for himself or for any other person, knowingly, in any application or otherwise, makes a false or misleading statement or fails to disclose any material fact, is guilty of an offence and liable on summary conviction to a fine not less than fifteen dollars and not more than one hundred dollars or to imprisonment for a term not exceeding three months or to both fine and imprisonment."

IMPORTANT—(Failure to complete and return this Declaration within Thirty (30) days will result in Suspension of Allowance). On completion, forward this form in the enclosed envelope, to: The Secretary, War Allowances District Authority.

District Office address.....

APPENDIX "B"

ASSISTANCE FUND (W.V.A.)

Welfare Officer's Report

Name District App'n. No.....
(Surname) (Given Name(s))

1. Applicant, dependent(s) and others, living in the household. List only applicant and dependent(s) if boarding with non-relatives. If any member of household is unemployed, give reason and source of maintenance in Section 8.

Names Full	Birth Date	Relation to Applicant	Monthly Income	Monthly Contribution
.....
.....
.....

2. Housing—Owns House; Rents House; Duplex; Apartment.....
Rooms, Furnished Unfurnished Boarding

3. Liquid Assets (applicant & dependents) \$.....
(Form)

4 (a). Monthly Assessed Income		Monthly Exempt Income	
W.V.A.	\$.....	Family Allowances	\$.....
Disability Pension .....	.....	C.P.C. Pension .....	.....
(Less children)		(Children's portion)	
Regular Earnings .....	.....	Casual Earnings .....	.....
Roomers & Boarders ....	.....	Roomers & Boarders .....	.....
(Net profit)		(Less net profit)	
Other—(Specify) .....	.....	Other—(Specify) .....	.....
.....
Total Assessed	\$.....	Total Exempt	\$.....

(c) TOTAL MONTHLY INCOME \$.....

5. Expenditures (Any excess over income should be reflected in Section 7)

Item	Annual	Monthly	6. A. F. Formula
Rent
Taxes
Mortgage Int.
Fire Insurance
Fuel
Gas
Electricity
Food
Clothing
Personal Allowance
Cont. Medical Care
Mortgage Principal
Life & Health Ins.
Dept Payments
Other—specify
Totals

CANADA, VETERANS AFFAIRS
SPECIAL COMMITTEE ON, 1955

(HOUSE OF COMMONS

Second Session—Twenty-second Parliament
1955)

(SPECIAL COMMITTEE

ON

VETERANS AFFAIRS

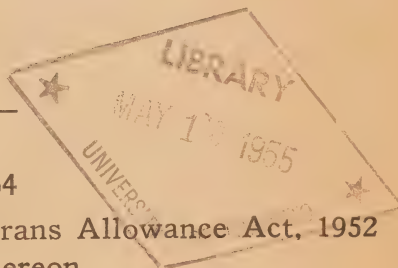
Chairman: W. A. TUCKER, Esq.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 5

BILL 164

An Act to Amend the War Veterans Allowance Act, 1952
and report thereon



THURSDAY, MARCH 24, 1955

EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1955.

SPECIAL COMMITTEE

ON

VETERANS AFFAIRS

Chairman: W. A. Tucker, Esq.,

and

Messrs.

Balcom,
Bennett (*Grey North*),
Brooks,
Carter,
Cavers,
Croll,
Dickey,
Dinsdale,
Enfield,
Forgie,
Gauthier (*Portneuf*),

Gillis,
Goode,
Green,
Hahn,
Hanna,
Harkness,
Herridge,
Hosking,
James,
Johnson (*Kindersley*),

MacDougall,
Murphy (*Westmorland*),
Pearkes,
Philpott,
Quelch,
Roberge,
Tucker,
Weaver,
Weselak,
White (*Hastings-
Frontenac*)—31.

Eric H. Jones,
Clerk of the Committee.

ORDER OF REFERENCE

THURSDAY, March 24, 1955.

Ordered,

That the name of Mr. Hosking be substituted for that of Mr. Cardin; and

That the name of Mr. James be substituted for that of Mr. Henderson on the said Committee.

Léon J. Raymond,
Clerk of the House.

REPORT TO THE HOUSE

FRIDAY, March 25, 1955.

The Special Committee on Veterans Affairs begs leave to present the following as its

FIRST REPORT

Your Committee has considered the following Bill and has agreed to report it without amendment:

Bill No. 164, intituled: "An Act to amend the War Veterans Allowance Act, 1952".

With respect to clause 3, as the amendment contemplated therein would, to meet the view of the Committee, result in an increased charge upon the public, your Committee feels that it has no option under the rules of the House but to report the clause without amendment. The Committee would, however, recommend that the Government consider the advisability of renumbering clause 3 of said Bill No. 164 as 3 (1) and that a new sub-clause 2 be added to clause 3, as follows:

(2) Where any veteran or surviving spouse of a veteran was receiving or was eligible to receive an amount under section 5 of the said Act as it was immediately prior to the date of the coming into force of this Act, in respect of a period ending on or after that date, the District Authority may, in its discretion and in lieu of any further amount under that section, award to such veteran or spouse:

- (a) in respect of the portion of that period that is prior to that date, an amount determined in accordance with subsection (1) or (2), as the case may be, of section 5 of the said Act as it was immediately prior to the coming into force of this Act, and
- (b) in respect of the portion of that period that is on or after that date, an allowance determined in accordance with subsection (1), (2) or (3), as the case may be, of section 5 of the said Act as enacted by this section,

less any amount received by such veteran or spouse in respect of that period pursuant to an award made under section 5 of the said Act as it was immediately prior to the coming into force of this Act.

A copy of the evidence adduced in respect of the said bill is appended hereto.

All of which is respectfully submitted.

WALTER A. TUCKER,
Chairman.

MINUTES OF PROCEEDINGS

THURSDAY, March 24, 1955.

The Special Committee on Veterans Affairs met at 8.00 o'clock p.m. this day. Mr. Walter A. Tucker, Chairman, presided.

Members present: Messrs. Bennett (*Grey North*), Brooks, Carter, Cavers, Dickey, Dinsdale, Enfield, Forgie, Gauthier (*Portneuf*), Gillis, Goode, Green, Hahn, Hanna, Harkness, Herridge, Hosking, James, Pearkes, Philpott, Quelch, Roberge, Weaver, Weselak and White (*Hastings-Frontenac*).

In attendance: Mr. G. L. Lalonde, Acting Deputy Minister; Mr. G. H. Parliament, Director General, Veterans' Welfare Services; Mr. W. G. Gunn, Q.C., Director of Legal Services; Mr. F. L. Barrow, Secretary; Mr. E. J. Rider, Research Adviser, and Mr. C. N. Knight, Secretary, Assistance Fund (W.V.A.) Committee, all of the Department of Veterans Affairs. Also Mr. J. L. Melville, Chairman, Canadian Pension Commission; Mr. F. J. G. Garneau, Chairman, War Veterans Allowance Board, and Mr. D. M. Thompson, Director of Service Bureau, Dominion Command, Canadian Legion, B.E.S.L.

The Committee resumed the clause by clause consideration of Bill No. 164, An Act to amend the War Veterans Allowance Act, 1952.

Clauses 1 and 2 were carried.

Mr. Lalonde and Mr. Gunn answered questions specifically referred to them.

On Clause 8,

Mr. White (*Hastings-Frontenac*) moved, seconded by Mr. Green, That the Committee recommend that the Government give consideration to introducing legislation during the present session of Parliament which will have the effect of providing for amendments to this bill that will substitute \$1,200 for \$840 in section 1, column 3 of schedule A, and \$120 for \$108 in sections 2 and 3 of column 2 in schedule A, and \$2,000 for \$1,440 in sections 2 and 3, column 3 of schedule A.

Following debate, the motion was negatived in a recorded vote:

Yeas: Messrs. Brooks, Dinsdale, Gillis, Hahn, Harkness, Herridge, Pearkes, Quelch and White (*Hastings-Frontenac*)—9.

Nays: Messrs. Bennett (*Grey North*), Carter, Cavers, Dickey, Enfield, Forgie, Gauthier (*Portneuf*), Goode, Hanna, Hosking, James, Philpott, Roberge, Weaver and Weselak—15.

Clause 8 was carried.

Clauses 3, 4, 5, 6 and 7 were carried.

Clause 9 and the title were carried.

The bill was carried.

Ordered,—That the Chairman report the said bill to the House without amendment.

On motion of Mr. Bennett (*Grey North*), seconded by Mr. Enfield,

Resolved,—That the Chairman report to the House as follows:

With respect to clause 3, as the amendment contemplated therein would, to meet the view of the Committee, result in an increased charge upon the public, your Committee feels that it has no option under the rules of the House but to report the clause without amendment. The Committee would, however, recommend that the Government consider the advisability of renumbering clause 3 of said Bill No. 164 as 3 (1) and that a new sub-clause 2 be added to clause 3, as follows:

(2) Where any veteran or surviving spouse of a veteran was receiving or was eligible to receive an amount under section 5 of the said Act as it was immediately prior to the date of the coming into force of this Act, in respect of a period ending on or after that date, the District Authority may, in its discretion and in lieu of any further amount under that section, award to such veteran or spouse:

(a) in respect of the portion of that period that is prior to that date, an amount determined in accordance with subsection (1) or (2), as the case may be, of section 5 of the said Act as it was immediately prior to the coming into force of this Act, and

(b) in respect of the portion of that period that is on or after that date, an allowance determined in accordance with subsection (1), (2) or (3), as the case may be, of section 5 of the said Act as enacted by this section,

less any amount received by such veteran or spouse in respect of that period pursuant to an award made under section 5 of the said Act as it was immediately prior to the coming into force of this Act.

The Committee proceeded to consider its report to the House, *in camera*.

It was agreed that certain recommendations arising from consideration of Bill No. 164 be later further considered with a view to their inclusion, if deemed expedient, in the final report to the House.

At 10.10 o'clock p.m., the Committee adjourned to the call of the Chair.

Eric H. Jones,
Clerk of the Committee.

EVIDENCE

March 24, 1955.

8.00 p.m.

The CHAIRMAN: Order, gentlemen. I see a quorum.

Mr. HAHN: Mr. Chairman, on a question of privilege. On the last day we had our meeting I was given to understand that a vote to adjourn was in order and a motion was so made by Mr. Green, and on the assumption the meeting was going to adjourn I left the meeting at 10 o'clock at night and I understand you had another vote after that. I was just wondering whether that was the general procedure in most of our meetings so that I can govern myself accordingly in future.

The CHAIRMAN: The usual procedure is that we adjourn when we do adjourn, Mr. Hahn, but we usually go for two hours at each meeting and we went for two hours on that occasion.

Before I read the section of the bill we were on, I would like to refer to subsequent meetings. We called two meetings for Monday but it is not going to be possible to hold a meeting at 10.30 and so, rather than try on such short notice to call a meeting for 3.30, instead we will just be able to hold the one meeting on Monday at 8.00 o'clock. So we will have a meeting at 3.30 o'clock tomorrow and on Monday at 8.00 o'clock, instead of the two meetings at 3.30 and 8.00 o'clock.

I am sorry it is not possible to hold two meetings on Monday but I gathered from what most of the members said they were not any too enthusiastic about two meetings on Monday in any case, so it would seem there will not be many members who will be dissatisfied about that.

We are now on the bill. Before the close of our last meeting I had called the first section of the bill. I presume we will take it subsection by subsection. The first subsection is "Definitions":

1. (1) Subparagraph (i) of paragraph (g) of section 2 of the *War Veterans Allowance Act, 1952*, chapter 340 of the revised Statutes of Canada, 1952, is repealed and the following substituted therefor:

"(i) a child who is bereft by death of his parents, or"

You will see the explanatory note that the purpose of this clause is to make sure that this Act applies to persons orphaned by the loss of foster parents, the same as by the loss of his real parents. Is that carried?

Carried.

The next subsection is (2):

(2) Section 2 of the said Act is further amended by adding thereto, immediately after paragraph (g) thereof, the following paragraph:

"(gg) "parent" includes an adoptive or foster parent or a step-parent;" That has the same purpose. Carried?

Carried.

Subsection (3):

(3) Paragraph (i) of section 2 of the said Act is repealed.

Subclause (3) repeals paragraph (i) of section 2 of the said Act which reads as follows:

"(i) "war" means the South African War, World War I or World War II;". In view of the definition of "veteran" contained in section 30 of the Act it is considered that this definition is superfluous.

Mr. PEARKES: I don't know if this is the right place or not, but during our discussions in the House on the presentation of the Legion brief the question of the Imperial veteran's widow was raised. I would like to have an opportunity of placing before the committee the position of these women. It seems to me under this Definitions clause that that might be the best place to do it. I admit that this particular section does not quite deal with the widows, but I think the position of the widow of the veteran of our allies is pretty well known and I am not going to speak at length on the matter.

The situation is that if an allied veteran is living in Canada having immigrated to Canada after the war, and lives here for twenty years and reaches the age which is necessary, and has the financial disabilities which would entitle him to the war veterans' allowance; and he dies after being here twenty years, then his widow is entitled to the allowance under the sections of this Act. But should he die before he has been here twenty years and his widow lives on in this country, reaches the age of 55 and has lived in Canada for twenty years, she is not eligible for the widow's pension, because her husband had died before he had lived here for twenty years.

It seems to me that that is imposing a hardship on a limited number of ladies who have been in Canada for twenty or more years, have reached the age of 55 and are in straitened financial circumstances.

We are proud of our comrades who fought alongside of us with the other allied forces. I feel that we can well recognize the fact that if a woman has lived in Canada for twenty years she has in fact become a Canadian. There are some of these women who were born in Canada and who married Imperial or allied veterans and returned to Canada. It may be that in the future there will be still more, because we had a number of young men training in this country under the Commonwealth Air Training Scheme during World War II. Some of these young men married Canadian girls; they went overseas and served perhaps in the Airforces of Australia or New Zealand or the R.A.F., and then after the war returned to Canada.

Now, they will have to live twenty years in Canada before they or their widows can obtain the allowance. Should they die before the twenty years are up, the widow who is a Canadian, born perhaps and lived here for the rest of her life, under the present regulations is not entitled to the allowance.

I would like the committee at some time to consider if they could not make a recommendation to the minister to say whether the definition of a widow might not be changed in some way, so that these widows of our allies, who have lived in Canada for 20 years, who have reached the age of 55 and who meet the financial requirements could be entitled to this allowance. I think it would be much better if the officials of the department would consider the possibility of amending the definition of "widow", or in some other way introduce a clause which would enable widows of these allied soldiers, sailors and airmen to receive the allowance. I know this is not included directly in this bill, but it was referred to in the second reading; the question was referred to in the brief submitted by the Canadian Legion officials; and I hope this committee, when it makes its final recommendations, will see its way clear to recommending the introduction of some amendment to the Act generally, in order to take care of these people. Perhaps the officials of the department might, in the meantime, say what would be the best way of bringing forward an amendment to include these allied widows.

Mr. HERRIDGE: I would like, Mr. Chairman, to support Mr. Pearkes' remarks. He puts the case very well; and there is no reason, in my opinion, for giving all the reasons once again for asking for this amendment. I emphasize that this has been requested by the Canadian Legion on several occasions, with full knowledge of the circumstances. I do urge that Mr. Pearkes' suggestion be given consideration, and that the chairman and the officials give this matter their attention and that before this committee rises, we shall see if we cannot do something to meet the situation which Mr. Pearkes has described and which is common knowledge to all those interested in veterans' affairs.

Mr. HAHN: Mr. Chairman, I would like to voice my support of this proposal. In the past years, in reading over the debates of this veterans affairs committee, I find the present proposal has been made from time to time. I do not know that there are so many people involved that it would be such a costly affair to put into practice. I am thinking particularly of all the widows, but it seems to me to be a strange thing that those who left this country as Canadians, because they married someone who was an Imperial war veteran and returned to this country, are being deprived of what I think should be rightly theirs, and which should be included in this Act. I do wish we could find some way of recommending that these people should be taken care of under the legislation which is passed.

Mr. BENNETT (*Grey North*): Mr. Chairman I think this could be discussed when we are considering our final report. General Pearkes admits it does not very well come under this section. This point has been argued many times in the House, and elsewhere. The answer is that the entitlement of a widow under the War Veterans Allowance Act flows from the veteran, and a widow is not entitled to the allowance unless her husband was qualified for the war veterans allowance by his service.

If we made this exception there is no reason why other Canadian-born widows, whose husbands did not qualify for war veterans allowances and who are in needy circumstances, should not get war veterans' allowances. As long as you have this 20-year rule—and that 20-year rule was proposed by the veterans' organizations themselves at the time—there will be borderline cases. There are borderline cases all the way through the War Veterans Allowance Act, and under legislation similar to the War Veterans Allowance Act. For instance, if you change the rule so that the widow would have to reside in Canada for 20 years, what about the widow who was here for 18 years? What about the flying instructor who was in Canada all through World War II? I always feel sorry for him; I think he is entitled to consideration. He was kept in Canada because he was a good flier, but he is on the wrong side of the borderline. The same thing happens under the means test. A widow with \$1,100 is not eligible under the Act. But the main principle here is that, if you depart from the rule that entitlement flows from the veteran you may be creating a new and radical departure from the Act. It would involve more than a few widows. It would involve a great many women in Canada, and I think you would be getting into the field of strictly welfare legislation which is ordinarily under the jurisdiction of the provinces. However, I think we could very well discuss this when we consider our final report.

Mr. GREEN: May I apologize, Mr. Chairman, for my late arrival. I was detained in the House. I have also been asked to explain the absence of Mr. MacDougall, who is also in the House waiting to speak.

Mr. BENNETT (*Grey North*): Are you paired with him?

Mr. GREEN: I have got to be back in the House, too. There is one feature about this question which I think explains the whole situation. In earlier

meetings of Veterans Affairs Committees we had many discussions about the Imperial veterans, and all those discussions were based on covering the veterans who came here before 1930. There had been migrations of Imperial veterans, perhaps two or three, before that time; but in 1930 the movement stopped and practically no Imperial veterans came here between 1930 and the end of the second world war. The idea was always to cover those veterans who were here by 1930. Really that should have been the wording of the amending section. It should have said "those who were here by 1930." But instead of that the wording was in the form we now find it—20 years. The 20 years, I think you will find, Mr. Chairman, covered the period from 1930 to the period when the amendment was written into the statute, which would bring it up to 1950 or thereabouts. But the intention always was that the men who had come here up to 1930 should be covered, and, that being the case, their widows should be covered too.

If the widow happens to lose out because her husband died in 1948 or 1949, just before the 20-year period expired, I think, taking into consideration the background of the legislation and the particular people whom it was intended to cover, there is a very good reason for making a change to put in the year 1930; decide on the year which was originally intended, and then word the section in that way, rather than on the 20-year basis. If a course of that kind is followed then the intention of the veterans' bodies would be carried out and it would not be a matter of welfare cases at all. I do point out one further fact, that many of these widows are Canadian women who married Imperial veterans. That fact is sometimes forgotten. On the basis of what has gone before and of the whole picture I think there is very very good ground for granting the request made by the Canadian Legion to have this group of widows included.

Mr. BROOKS: Mr. Chairman, I wish to say a few words. I was a little confused over what Mr. Bennett said and I am wondering if, perhaps, he is entirely correct. He said a widow of a Canadian veteran could not receive the war veterans' allowance if he had not been living here 20 years. Under the definition of widows in the Act it says: "means widow of a veteran" and then in section 3, "any veteran or widow who, in the opinion of the district authority, is permanently unemployable". That is, the allowance can go to any veteran or widow. And under section 30 the veteran is described as a veteran of the South African War, World War I or World War II, and so on. In any event the point I have in mind is this, that the widow of a Canadian veteran, even though he had not received war veterans' allowance because he had passed away before he was 60 years of age, can apply and receive the war veterans' allowance. I think that is correct. That is exactly what is being asked by Mr. Pearkes for the allied veteran's widow. That veteran would have qualified himself but he died before the 20 years were up. Then, Mr. Pearkes asked that his widow should receive the war veterans' allowance, as the widow of a Canadian received the war veterans' allowance had he lived to be 60 years of age. That is not, as Mr. Bennett told us, going to let in a large number of people. The Canadian widow is qualified now. What it would include would be the widow of the allied veteran who, had he been here the 20 years, would have received the war veterans' allowance. As I understood the other day from, I think it was Mr. Parliament, it would mean between \$300,000 and \$400,000 a year to include these war veterans. So, it is not such a tremendous amount. I really think it is a great injustice in our Act and one which should be corrected.

Mr. GILLIS: Mr. Chairman, this is something I have been hammering at for ten years. There is something in what Mr. Bennett says, but also something which he forgets. The average Canadian widow, qualified for mother's

allowance under provincial legislation, has to have one or two children under 16 years of age. The widows we are thinking about here cannot qualify for that type of legislation. Most of them are around or over 55. The fact of the matter is that we have covered the Imperial veterans widow, but I think the residence clause is on the wrong shoe. What you would have to do to qualify the people I have in mind is, instead of saying "if a veteran resided in Canada for 20 years" to say "if the widow resided in Canada for 20 years"; that is the only change you would have to make. I do not like the words "allied veterans". If you opened up the Act to put that in, it would be too wide. A lot of the satellite countries were our allies in the last war. If you use a strict interpretation of the words "allied veteran" it would open it up that wide. What I have in mind are the people Mr. Pearkes spoke of, the Imperial veterans. We have a lot of boys who went over in 1938 and joined the R.A.F. They are now back. We have rank discrimination today in every community across Canada where you have the older Imperial war veterans' widows. In the case of two widows living next door to each other, one is on the allowance and the one is not; she is six months short of getting the benefit because her husband died six months too early. I think the department would be well advised in taking a look at this thing. I have in mind the Commonwealth countries, Britain, Australia and New Zealand, because in these countries our people are eligible under their social security measures; and I think it is pretty near time we got around to the point of trying to make at least all Commonwealth countries complementary to each other, and our social security legislation reciprocal. I wonder if the parliamentary assistant would not prevail on his minister and the cabinet to make that change. Aside from "if the husband was in six years", if the widow was in herself she would be eligible.

Mr. QUELCH: I have brought this question forward before and I still think the suggestion is a logical one. The widow of a Canadian veteran is, I understand, entitled to apply for a war veterans' allowance at any time provided her husband has seen service in a theatre of war. It is quite possible at the time he died he could not have received war veterans' allowance, because his income was higher, but we recognize that later on he may have been in different circumstances and we grant that widow war veterans' allowance. In the same way the Imperial veteran, when he died, would not have entitlement, but if he lived here longer he would have had entitlement, and his widow would have been granted entitlement. Also, we could argue that the widow of an Imperial veteran should have that benefit.

Mr. BENNETT (*Grey North*): What I had in mind was the widow, for instance, of the flying instructor who served four or five years in Canada and does not qualify under the War Veterans Allowance Act and has a widow who was born in Canada. You are picking out a small group of widows and giving them the benefit of the War Veterans Allowance Act, where there may be many, many widows in Canada in needy circumstances who do not qualify because their husbands did not happen to see service in a theatre of operations. This Act was designed to look after the older veterans who could not get help under the Pension Act and who saw service in a theatre of operations. In 1943 the Act was amended to bring in the widow of that veteran. Later the veterans organizations made representations and this 20 year rule was adopted. Mr. Pearkes' and Mr. Green's arguments are not in accord. I would say to Mr. Green, if we made the time limit 1930 there would be widows who came to this country in 1931 and 1932 and you would still have your borderline cases. You have to draw the line some place.

Mr. GOODE: I agree with Mr. Bennett and have reasons for agreeing with him. Perhaps they are selfish, but nevertheless they are reasons. It is asking

this committee to grant something to which some Canadians are not entitled. I was on sixteen overseas drafts at Petawawa, volunteered for every one, was on the train twice with full equipment, and by order of the commanding officer was taken off both times. I was taken off sixteen drafts by the order of my commanding officer—which may be good, because I might not have been here otherwise. Some people are asking us on this committee to give these people benefits which my wife and other wives cannot obtain. Maybe it is a selfish viewpoint, but I think it is a businesslike viewpoint, because through no fault of my own—and I can assure the committee of that—I was not allowed to go to a theatre of war. Yet we are being asked to spread this bill very thinly and extend benefits to some overseas people. I do not like this word “allied”, though I would go along with the word “Imperial”. But you are asking this committee to do something that you will not do for Canadians who deserve it as well.

Mr. QUELCH: These Imperials would have to have seen service in a theatre of war?

Mr. BENNETT (*Grey North*): Yes.

Mr. QUELCH: Then I cannot follow Mr. Goode's point at all.

Mr. PEARKES: That is the whole essence of this, this allowance is paid to veterans who saw front-line service. I entirely agree with that. I feel that, with regard to the widows of these Imperial veterans, it is an essential requirement that the veteran saw service in an actual theatre of war. I am not suggesting anything else.

The CHAIRMAN: There is just one exception to that, General Pearkes, and that is, British and allied veterans who received a small pension although they did not see service in a theatre of war.

Mr. QUELCH: That applies to Canadians, too.

The CHAIRMAN: Is paragraph 3 carried?

Carried.

Clause 2.

2. Subsection (1) of section 4 of the said Act is repealed and the following substituted therefor:

“4. (1) Subject to this Act, any person who, being a male veteran who has attained the age of sixty years or a female veteran or widow who has attained the age of fifty-five years, resides in Canada and

(a) is unable to maintain himself or herself by following his or her former ordinary occupation,

(b) is capable of taking light or intermittent employment, and

(c) is unemployed,

may, on application and as an alternative to any allowance for which such person may be eligible under section 3, be paid an allowance with respect to any period during which those conditions prevail, at the lesser of the following rates, namely,

(d) the monthly rate specified for the veteran or widow in Column II of Schedule B, or

(e) the monthly rate that will produce the total monthly income, including allowance, specified for the veteran or widow in Column III of

Schedule B.”

That seems fairly self-explanatory.

Mr. WHITE (*Hastings-Frontenac*): I have a suggestion which I wish to make to you and to the committee. When we had the brief discussion the other night about my motion, you suggested that I was anticipating this section

and it should stand. I should like to point out that the section which you have just read does refer to schedule B. Then, from an examination of the next section, I see that it does not refer to a schedule, but it uses the same amounts, \$108 and \$1,440, which are exactly the same amounts as appear in the schedule. Then, there are the two schedules which refer to the amounts. My suggestion is this, Mr. Chairman, in order to save a discussion on three different sections all pertaining to the same matter, that you would either allow clauses 2 and 3 to stand until you come to the schedules and deal with them all together, or now deal with clauses 2 and 3 of the schedule, because I point out that you are dealing with exactly the same principle. The amounts are the same both for the allowance and the income, so that what any member of the committee might wish to say on clause 2 or 3, or say on each schedule would be exactly the same. I notice that there is a provision as to the date when the bill was to come into force, and I hoped that the bill would go through the House before the first of the month, so that the veterans would get their allowance for April. Mr. Chairman, if it would be agreeable to the committee that you have the one discussion to cover clause 2 and 3 in the schedules, I have a motion which I have drawn up to cover the whole three clauses. If, however, you feel that you can only deal with clause 2, then I have a motion which I wish to move pertaining only to clause 2 which you have just read.

The CHAIRMAN: The committee will note that the sole effect of clause 2 is to enable female veterans and widows who have attained the age of 55 years to take advantage of the benefits of section 4 of the Act. In other words, the only purpose of this amendment is to extend the benefit of the Act to female veterans or widows who have attained the age of fifty-five.

Mr. WHITE (*Hastings-Frontenac*): But I say, Mr. Chairman—and tell me if I am not correct on this—that if you pass clause 2 which you have just read, you are referring to schedule B, so that I presume that an amendment could be made at this time if you are just going to deal with that section, as far as schedule B is concerned.

The CHAIRMAN: I think it is quite clear that schedule B is not involved in this amendment. The only matter involved in this amendment is the giving to the widows and female veterans the benefit of section 4 of the Act. I take it that there is no objection to giving them the benefit of the Act, whatever it may be.

Mr. BENNETT (*Grey North*): I think that your motion, if you wish to make one, would come under clause 8, which is a clause which changes the rates and ceilings of schedule A and B. There is a different principle altogether in clause 3. It applies to section 5 of the Act, and it is not at all the same thing as you are talking about.

Mr. WHITE (*Hastings-Frontenac*): I appreciate that, but you will notice that in clause 3 the amounts which are used do not refer to the schedules at all. They refer to the amount of money spelled out, but it so happens that the amount used in clause 3 are exactly the same as the amounts in the schedule. My whole point was that if you are going to have three discussions, you might just as well have one discussion covering the whole thing.

The CHAIRMAN: I suggest that we carry clause 2 and see what you have in mind by way of amendment when we come to clause 3, which is the beginning of the setting up of the actual rates which, I take it, is what you have in mind. Is the clause agreed to?

Carried.

Mr. GREEN: With respect to clause 2, Mr. Chairman, could the parliamentary assistant tell us how many widows or female veterans it is expected will be taking advantage of this amendment?

The CHAIRMAN: The deputy minister has the records and perhaps he could tell us the number that would be likely to get the benefit of the proposed amendment to clause 2 of the bill.

Mr. BENNETT (*Grey North*): I do not think that anybody can answer that question. Can you answer it, Mr. Lalonde?

Mr. LALONDE: I am sorry but we have no way of knowing how many widows will fulfil the conditions of section 4 of the Act from the point of view of employability until the section has been tried out in the same way that it was tried out with the veterans themselves. I think it would be presumptuous to try to forecast what it will be. We will have to wait for the widows in the same way that we waited for the veterans, to determine how many want to take advantage of it.

Mr. GREEN: You have not made any estimate?

Mr. LALONDE: We do not think it is possible. We think it would be just a shot in the dark.

Mr. BROOKS: How many veterans are under it now?

Mr. LALONDE: At the moment, over one thousand; but even trying to apply that proportion to the widows might be misleading, because I think the conditions are different.

Mr. BROOKS: Wouldn't their scope of employment be far different from the scope of employment of the veterans themselves?

Mr. LALONDE: I am inclined to agree with you.

Mr. BROOKS: There would not be very many, though?

Mr. LALONDE: I do not know. The purpose is to give them the same opportunity that we have given to the veterans.

The CHAIRMAN: Does sub-clause 2 "Dependent" carry?

Carried.

Sub-clause 3, "Idem"?

Mr. CARTER: I wonder if someone would enlighten me as to why there is a change of terms? In clause 2, we talk about widows, while in clause 3 we have "surviving spouse"? Is there any special reason for that change?

Mr. LALONDE: There will be very few cases where that will apply; but it is possible that we may have a female veteran with a spouse who is disabled and who therefore would benefit under that section.

Mr. CARTER: You mean the husband might get it through his deceased veteran's widow.

Mr. LALONDE: If he was disabled and if she had been his sole means of support during her lifetime; she was a veteran the same as a male veteran, and the disabled husband would get the same benefit as the widow.

Mr. CARTER: Thank you.

The CHAIRMAN: Now, you have in front of you clause 3 of the bill, subsection 1, "Surviving spouse".

The principal change in subsection one is to increase the maximum allowance that may be awarded to the surviving spouse of a veteran under the circumstances specified in that subsection.

Mr. QUELCH: What will be the situation of a widow of a veteran who died within the past year? Will her pension be continued at the present rate, or will it be changed to the new rate?

Mr. BENNETT (*Grey North*): There is an amendment which I propose to make which is just being distributed and which covers that point.

The CHAIRMAN: Are you moving that amendment?

Mr. BENNETT (*Grey North*): Yes. I suppose I might as well do it now.

The CHAIRMAN: I have not studied it, but does it increase the charge on the Crown in any way?

Mr. BENNETT (*Grey North*): It clears up the case of a widow who is awarded the benefits of section 5 now, so that when this bill comes into effect she will get the benefit of the new rates.

The CHAIRMAN: In other words, your amendment clarifies the section and it does not increase the charge on the Crown?

Mr. BENNETT (*Grey North*): An award under section 5 would mean that the widow would be paid at the married rate, that is, at the old married rate of \$90; but this amendment will give this widow, after the bill comes into effect, the benefit of the amendment, and she will get paid at the married rate of \$108.

The CHAIRMAN: What I am getting at is this: does this amendment increase the cost as compared with the bill?

Mr. BENNETT (*Grey North*): Yes, and I have a statement to make in the approved fashion. If you wish me to make it now, I shall do so. I would like to propose a suggested amendment to clause 3.

The purpose of this proposed amendment is to ensure that beneficiaries, or potential beneficiaries, under section 5 of the War Veterans Allowance Act be eligible to receive the increase of allowances and permissible income to be provided for beneficiaries under sections 3 and 4 of the Act.

As this proposed amendment involves the expenditure of money, it is necessary to follow the same procedure that this committee followed last year with respect to several small amendments. You will recall that the procedure is that this committee should report the clause in question without amendment and in our report to the House we should recommend that the government give consideration to the amendment which we desire. Therefore, Mr. Chairman, I would suggest that if we pass this clause without amendment, it is on the understanding that this recommendation will be contained in our final report, which reads as follows:

With respect to clause 3, as the amendment contemplated therein would, to meet the view of the Committee, result in an increased charge upon the public, your Committee feels that it has no option under the rules of the House but to report the clause without amendment. The Committee would, however, recommend that the Government consider the advisability of renumbering clause 3 of said Bill No. 164 as 3(1) and that a new subclause 2 be added to clause 3, as follows:

(2) Where any veteran or surviving spouse of a veteran was receiving or was eligible to receive an amount under section 5 of the said Act as it was immediately prior to the date of the coming into force of this Act, in respect of a period ending on or after that date, the District Authority may, in its discretion and in lieu of any further amount under that section, award to such veteran or spouse:

- (a) in respect of the portion of that period that is prior to that date, an amount determined in accordance with subsection (1) or (2), as the case may be, of section 5 of the said Act as it was immediately prior to the coming into force of this Act, and

(b) in respect of the portion of that period that is on or after that date, an allowance determined in accordance with subsection (1), (2) or (3), as the case may be, of section 5 of the said Act as enacted by this section,

less any amount received by such veteran or spouse in respect of that period pursuant to an award made under section 5 of the said Act as it was immediately prior to the coming into force of this Act.

The CHAIRMAN: Will you please explain that again to the committee?

Mr. BENNETT (*Gray North*): Well, Mr. Chairman, the idea of section 5 as it now stands in the Act is that when a war veterans' allowance recipient dies the widow may receive an amount under section 5 instead of being paid at the single rate. Instead of being kept at the single rate of \$50 she is entitled to receive the married rate of \$90 for one year. Well, if this bill is passed, of course, the widow under section 5 will receive the married rate for one year at the new rate of \$108. The idea of section 5 is to help a widow over the stress and strain and adjustment due to the death of her husband.

Now, the object of this amendment is to make sure that a widow who has been given an award under section 5 as of now or last month will be paid if this bill goes into effect, not at \$90, the present married rate, but at \$108, the new married rate.

Mr. QUELCH: Mr. Chairman, I think the amendment is a good one because it provides that the widow of a veteran who has died in the last year will get the new rate within a year.

Mr. WHITE (*Hastings-Frontenac*): Mr. Chairman, I would like to ask Mr. Bennett a question. Under section 3 in the amendment you have just read, if it should happen that the committee decided to recommend an increase change in schedule A whereby it might go up to \$120 a month, then under section 5 the widow would not get the benefit of that increase because this section, as I pointed out before, does not refer to the schedule but to the amount of \$108 a month or an income of \$1,440. Would that be correct?

Mr. BENNETT (*Grey North*): Mr. Chairman, certainly this section does depend upon the rates and the ceilings as established by clause 8 of the amending bill. Perhaps we can stand this section until we come to clause 8, and then can take the question up, Mr. Chairman, because Mr. White does apparently have a motion to move in connection with either the rates or the ceilings later on.

Mr. WHITE (*Hastings-Frontenac*): Well, Mr. Bennett, I would point out in section 2 you just refer to the schedule, but in this one you do not. There is probably some reason.

Mr. BENNETT (*Grey-North*): That is right, I think you have a good point. I think we can stand that for the time being, Mr. Chairman.

The CHAIRMAN: What we have before us, gentlemen, is this clause as it is. Mr. Bennett has said that if we desire it amended it is necessary when we report the bill to the House that we ask that the government give consideration to including in the bill the amendment which he has read. So that proposed amendment is not before us at the present time and cannot be. However, he has said that before we report the bill he will move that the government give consideration to putting this amendment into the bill.

The reason for this is that Mr. Bennett is not yet—I hope it won't be too long before he is—a minister of the Crown, so he cannot move this as an amendment and so it is not before us. Therefore there is no reason why we cannot consider clause 3, because it does not refer to the schedule.

Mr. BENNETT (*Grey North*): No, but Mr. White's point is that the amount of the ceiling and rates are set out in this clause 3 and that if Mr. White's motion were carried under clause 8 it would affect clause 3.

The CHAIRMAN: But if his motion to increase these amounts carries in clause 3, presumably the proposed increase in rates in the schedule will carry too?

Mr. BENNETT (*Grey North*): That is right, only, Mr. Chairman, I think the place for a real argument, if it is an argument on ceilings, would be under clause 8.

The CHAIRMAN: All right, we will let 3 stand.

Mr. GUNN: Mr. Chairman, I am not so sure that I agree with the opinion expressed by my legal colleagues here, if I may call them that, with regard to this particular amendment. You will observe that paragraph (b) takes care of the situation in accordance with the new legislation, whatever it may be, in section 5. This was designed so as to catch up whatever is dealt with in section 5.

Mr. WHITE (*Hastings-Frontenac*): Well, this is just catching up with the present schedule. If that schedule is changed, then section 5 would be thrown out.

Mr. GUNN: I don't think so. Looking at paragraph (b):

“(b) in respect of the portion of that period that is on or after that date, an allowance determined in accordance with subsection (1), (2) or (3), as the case may be, of section 5 of the said Act as enacted by this section,”

As enacted by this section!

Mr. BENNETT (*Grey North*): No, we are talking about this clause 3 of the bill which sets out the exact rates and the ceilings.

The CHAIRMAN: Just so that it may be made plain, we were on clause 3 then, which contains no reference to the schedule.

Mr. HANNA: It does not, but it uses the figures.

Mr. BENNETT (*Grey North*). In section 5 it says \$108 a month or the monthly rate that will produce a total income including allowance to the surviving spouse of \$1,440 a year.

Mr. WHITE (*Hastings-Frontenac*): If this clause 3 passed in its present condition and the schedule is raised to \$120 and a ceiling of \$2,000, would you say that the widow under clause 3 would still get \$108 or would she get \$120?

The CHAIRMAN: What I am saying is that if the majority of the committee were willing to change the schedule they would be willing to change this. Why shouldn't we take it in proper sequence?

Mr. GUNN: Whatever figures are mentioned here will be caught up by this proposed amendment of Mr. Bennett's.

The CHAIRMAN: If the committee wish to amend the schedule I am quite prepared to let everything stand and come at once to the schedule.

Mr. BENNETT (*Grey North*): Well, Mr. Chairman, I dislike very much siding in with Mr. White, but I think he is right.

The CHAIRMAN: Well, I am in your hands. We will go without further ado to clause 8 of the bill, first to schedule A.

Mr. WHITE (*Hastings-Frontenac*): Mr. Chairman, if we are at clause 8 of the bill which has to do with the monthly income and the ceilings I would like to move a similar motion to that which I moved the other night. I move, seconded by Mr. Green:

That the Committee recommend that the Government give consideration to introducing legislation during the present session of Parliament which will have the effect of providing for amendments to this bill that will substitute \$1,200 for \$840 in section 1, column 3, of schedule A, and \$120 for \$108 in sections 2 and 3 of column 2 in schedule A, and \$2,000 for \$1,440 in sections 2 and 3, column 3 of schedule A.

The CHAIRMAN: What is your idea, Mr. White—to do as Mr. Bennett recommends in reference to his proposed amendment, that is to pass the schedule in its present form and then you intend to move this after we have done that, or is it your idea that we do not carry this schedule until we report your recommendation back to the House and then wait to see if the Government act on it?

Mr. WHITE (*Hastings-Frontenac*): Well, with this motion, Mr. Chairman, it will be discussed if the committee so deals with it, and you can then recommend it and it will go forward to the House and come back again. I don't see how you can pass the schedule and send a recommendation in.

The CHAIRMAN: So your idea is that we should pass this and then stand further consideration of the bill until the Government acts on this?

Mr. WHITE (*Hastings-Frontenac*): No, I don't see how you can pass a schedule and make recommendations.

Mr. QUELCH: He means pass your amendment.

Mr. WHITE (*Hastings-Frontenac*): I thought you meant pass the schedule.

The CHAIRMAN: Your amendment. I want to get it clear as to what you want. You do not want us to pass the schedule at all; you want us to pass this motion, and pass it on to the House as our recommendation and the bill would wait in abeyance to see whether the government acts on your motion?

Mr. WHITE (*Hastings-Frontenac*): Well, if I understand correctly, if you pass the schedule that is the end of it. If there was any change you would have to pass my motion or some other motion and that would have to go back to the government and come back here. How could it be any other way?

The CHAIRMAN: The committee then should understand that if this motion carries we certainly cannot carry the schedule, and that means that the bill remains in abeyance until the government decides whether it is going to act on our recommendation or not. I want to know whether that is what you want, Mr. White?

Mr. WHITE (*Hastings-Frontenac*): That is certainly what I want, because I can't see that it can be done any other way. You either pass the schedule as it is or you consider my amendment or some other amendment and act on that. If there is any other way I would be glad to know about it.

The CHAIRMAN: We have the schedule in front of us and I take it you are asking the committee to pass your motion to ask the government to give consideration to introducing legislation and that that be passed by the committee instead of passing the schedule?

Mr. WHITE (*Hastings-Frontenac*): That is correct, yes.

The CHAIRMAN: So that the committee may be very clear what they are voting on in this matter we have the schedule in front of us providing for these rates. Mr. White has moved in effect an amendment thereto:

That the Committee recommend that the Government give consideration to introducing legislation during the present session of Parliament which will have the effect of providing for amendments to this bill that will substitute \$1,200 for \$840 in section 1, column 3 of schedule A, and \$120 for \$108 in sections 2 and 3 of column 2 in schedule A, and \$2,000 for \$1,440 in sections 2 and 3, column 3 of schedule A.

Of course, the committee will understand that if we pass this motion, and report it back to the House, and the government does not see fit to act on it, we have, in effect, killed the bill. We should be quite clear what we are doing. You have moved an amendment to this schedule increasing the rates and I think, by the way you have worded it, that it is quite in order, but it should be understood the effect of our vote.

Mr. BROOKS: This is a recommendation to the government. If the government does not consider our recommendation it stands as it is; I do not see how it kills the bill.

The CHAIRMAN: We are certainly killing the bill in its present form.

Mr. BROOKS: It is just the same as the recommendation by Mr. Bennett.

The CHAIRMAN: Mr. Bennett has suggested we should carry the bill in its present form, and he will move a recommendation to change it in the House. I asked Mr. White if he was prepared to do the same thing, and he said he was not.

Mr. QUELCH: What would happen if you submitted a report to the House with Mr. White's amendment as a recommendation and moved concurrence? If that carried in the House, would we not have the right to move the amendment?

The CHAIRMAN: I would have no right to move concurrence. Having decided that we will not pass this schedule, we in effect, recommend that the government increase the rates, and having recommended that to the House, on what ground could we resume consideration of the original schedule?

Mr. BROOKS: My mind goes back to 1950 and 1951 when we had before us a pension bill. As I recall, at that time the bill was allowing 10 per cent. We on that committee moved a similar recommendation to this—that it should be 28 per cent. That went with our recommendations to the government. The government agreed to it, and it came back to the committee and it was written in. I think the same procedure could be followed in this case.

The CHAIRMAN: In that case, Mr. Brooks, the committee, I believe, passed a recommendation that it should be 25 per cent, but it already had the assurance of the government that the recommendation would be accepted. We have no such assurance.

Mr. BROOKS: Perhaps you will be just as good a chairman as we had at that time, and find out whether the government will consent to this recommendation or not.

The CHAIRMAN: I am pointing out that by carrying this amendment we would be turning down the schedule before us and replacing it by a recommendation to the government. That is quite in order under the rules and it is for everybody, I think, to speak on this motion and vote according to what he believes is in the best interest of the veterans. I am certainly not ruling it out of order. Are you ready for the vote?

Mr. QUELCH: Mr. Chairman, I think that this is what appears to be a simple way of dealing with an undesirable situation as we have it in this bill. The situation in this bill, so far as the veteran who is able to work is concerned, is, in my mind, satisfactory; but the bill in its present form discriminates severely against a veteran who is unable to work and who must exist on a disability pension of, say, \$50 or less. For instance, under this bill a single veteran able to work can have \$600 casual earnings, an allowance of \$60 a month, and earnings of \$120, making a total of \$1,440 per annum. That is the situation of a single veteran who is able to work. Now take a single veteran with a disability pension of \$50 a month. Suppose he is unable to work. He gets \$600 disability pension and a maximum allowance of \$20 a month, amounting to \$240 in the course of a year, and making a total of \$840. In other words, as I pointed out, the single veteran who is able to work is able to get as much as \$1,440, but the man whom we should be looking after, the man who is a recipient of a disability pension, who, possibly, may be suffering from a gunshot wound and is drawing a \$50 a month disability pension, is only able to get \$840 a year. This is a discrepancy which in my view should be taken into account when this bill is considered. Now let us take the case of the married veteran who is able to work. He can get \$600 from casual earnings. He can draw an allowance of \$108 a month, making a total of \$1,296, and he can have earned income of \$144. So a married veteran able to work can get a total of \$2,040. But the married veteran who has a disability and who is drawing a disability pension of \$50, is in a far different position. He is able to get \$600 a year disability pension, a maximum allowance of \$840, making a total of \$1,440. So we have a disability pensioner who is unable to work tied down to \$1,440, while a recipient of war veterans' allowance, married and able to work, can get \$2,040. In both those cases I have referred to, we are severely discriminating against the veterans whom we should especially be looking after to the highest degree. One simple way of overcoming this problem would be to raise the ceiling of \$1,200 in respect of a single veteran and of \$2,040 with respect to a married veteran. If we do not do that we should be doing something to safeguard the interests of the disability pensioner by declaring that the first \$50 of pension is not income under the war veterans' allowance. We should do something on this question, because certainly we are very seriously discriminating in this bill.

Mr. WESELAKE: If a disability pensioner suffering from a gunshot wound was unable to work, would he not receive a higher pension?

Mr. QUELCH: Not necessarily, because he might not have had his disability acknowledged. I know several cases of that.

The CHAIRMAN: Your idea, Mr. Quelch, is to draw attention to this situation. I suppose you are not opposed to the bill going through as it is, but you wish to draw attention to the situation you have mentioned.

Mr. QUELCH: I think we should have recommendations on those lines, very definitely. The simplest way would be to raise the ceiling, as the Legion wants parliament to do, to \$1,200 and \$2,040. There is also the case, raised by Mr. Gillis, of the person who has saved during his lifetime and who has a small superannuation. He is not allowed to draw the full veterans' allowance, but a man who has not tried to save anything and who is still able to work can draw a better allowance. That seems to me to be discriminating against the disability pensioner or anybody who is drawing a small pension because of his former savings, or for some other reason.

Mr. WESELAK: Under the assistance fund, the actual payments to the recipient are in fact \$60 and \$120 a month, and if this amendment was called there would have to be some reconsideration given to the way in which the assistance fund was administered, that is, if the ceilings were raised \$1,200 and \$2,000.

An Hon. MEMBER: Did you say \$60 a month?

Mr. WESELAK: \$70 a month.

The CHAIRMAN: Are you ready for the question on Mr. White's motion?

Mr. HERRIDGE: Mr. Chairman, I want to support what Mr. Quelch had to say. I think he very clearly indicated the injustice to certain groups of veterans, and particularly those who suffered some little non-pensionable disability; and I think it is quite clear indeed that they suffer some injustice. Again, the veteran, whether a pensioner or not, who possibly has a small annuity, is not in the same position as the person who is able to do some work. I think in both cases the bill as it now reads does create some injustice. Surely the best way to deal with the situation would be to accept the amendment as proposed by Mr. White, based on the original recommendation.

Mr. PHILPOTT: I am very strongly opposed to this amendment because it seems to me, if we pass this amendment in the form in which it has been put here, in effect we kill the whole bill; we kill the whole bill, even the cash increases. Your amendment reads to me that we kill the whole bill and leave it right back at \$60 a month and \$90 a month for a married couple. It seems to me you are trying to move an amendment, and you talk about raising the ceilings, but what you are doing in effect is killing the whole bill.

Mr. BROOKS: We are making a recommendation to the government.

Mr. PHILPOTT: But in a particular form which kills the whole bill. As far as I am concerned I am opposed to this amendment and certainly intend to vote against it. As to Mr. Quelch's point, it seems to me it is an entirely different matter altogether. He is talking about an injustice to people on disability pensions, which is not in this bill before us at all. If we are going to make any recommendations on that we should make them in a separate document.

Mr. BROOKS: It is in the bill.

The CHAIRMAN: We are in this position, gentlemen. The government has already indicated in the House that this is as far as it is prepared to go in this matter at the present time. If this committee does not pass the bill which was passed through the House of Commons and referred to us, and, instead, passes this resolution, it will be tabled in the House as our recommendation; and if the government does not see fit to change its mind, where do we go from there? Have we any right then to meet again when we have already reported on this matter, and take up this schedule on which we have already voted and the substitution for which lies in the House waiting for government action? It means that, if the government does not see fit to accept this resolution, I do not see anything else but that we will have killed the bill.

Mr. HARKNESS: I think that is a complete red herring. We have an absolute precedent for this. When the pension bill came in, the Prime Minister first announced in the House that it was 10 per cent, and then he announced it was 15 per cent which would be given, and that that was the utmost that the government would do. But, when the committee sent in a resolution along this line that they thought it should be 25 per cent, that resolution was accepted in spite of that fact and it had no effect of killing the bill before us whatever. We went ahead with the bill right afterwards. They may act one way or another, but no matter which way they act we are still in the same position we are in now as to considering this bill.

The CHAIRMAN: I was not here when that 25 per cent matter was acted on, but my understanding was, before it was actually decided to recommend the 25 per cent, there had been consultations between the representatives of the committee and the government, and the government had indicated it was ready to act upon the suggestion that the rates be increased to 25 per cent. But there is no such indication from the government as to this amendment.

Mr. HARKNESS: There was no indication then as far as I know.

The CHAIRMAN: I understand there was such an indication before the resolution went through, otherwise I think the committee would have rather raised the pension by the originally proposed amount of 15 per cent than not have had it raised at all. If this were to carry it will go into the House; the government has announced its position, and unless it is prepared to reconsider, how could we, having once decided on this, then take up this schedule which we have today turned down? On what basis would we act?

Mr. BROOKS: Mr. Chairman, I remember very well about the Pension Act. The late hon. Ian Mackenzie was the minister and I moved the resolution, as Mr. Herridge will remember very well, that it be 33½ per cent. My resolution was amended by a motion of Mr. Herridge that it be 25 per cent, and Mr. Herridge's amendment was carried. That was the recommendation which went to the House. It came back to us and the bill was carried with the recommendation. In this committee we are simply asking again that the ceiling be raised and we are recommending it to the government. If the government approved of it, it would come back to us the same as it did in 1950 on the Pension Act and was carried.

Mr. Philpott says he is opposed to it and that it has nothing to do with this. But the other day I remember distinctly Mr. Philpott was discussing the small pensioner and he wanted to know how he could get more superannuation and pension, and war veterans' allowance as well. It was pointed out to him that the only way it could be done was by raising the ceiling as stated in this bill, and now he comes and says he is opposed to any raise because it is going to kill the bill.

Mr. PHILPOTT: I said that I was opposed to the way you are moving this amendment. I have not the slightest objection to a resolution for a higher ceiling, but I certainly have no intention of voting for a mixed up thing like this which will kill the bill.

Mr. BROOKS: You asked the other day how it could be done and Mr. Quelch has told you now, and still you intend to vote against it.

Mr. ENFIELD: The answer to the question "If it were not approved what do we do then?" is very important for us to know at this point.

Mr. BROOKS: Of course, the bill has to go back to the House for third reading and we have no assurance it will be approved on third reading in any form.

The CHAIRMAN: If we pass this resolution can we report the bill?

Mr. BROOKS: We do not report the bill.

The CHAIRMAN: Suppose the government then says we do not accept the recommendation?

Mr. BROOKS: Do you suggest that the House sends bills to us for consideration and then contends that we cannot make any change in those bills? We listen to the reports, then we make recommendations here in this committee which we hope will be considered by the government; if they are not passed in the committee they do not go to the government. If they are passed in the committee they go to the government for consideration.

The CHAIRMAN: The way it has been done in the past is the way Mr. Bennett is proposing to make his amendment.

Mr. BROOKS: That is not the way it was done in the Pension Act.

The CHAIRMAN: I have sent for the record on that. I am interested to see it. I was not there at the time.

Mr. BENNETT (*Grey North*): I consulted Dr. Ollivier last year on this and he advised me that the procedure we followed last year is the correct procedure.

The CHAIRMAN: I also consulted him last year, and he told me at that time that this is the only way that we can operate, that is to make recommendations in regard to a bill which is submitted to us. That is why I was very careful to ask Mr. Bennett if he was going to move this in the proper form, and not to do something that would mean that we are turning the bill down. Putting it in other words, by passing the motion we are recommending that the government consider it further instead of passing the bill as referred to us. It is my duty as chairman to point that out to you before you vote.

Mr. HERRIDGE: Could I explain what really happened, because I actually know what happened? I think that Mr. Brooks moved an amendment urging the 33½ per cent increase in pensions. I moved an amendment for 25 per cent increase, seconded by Mr. Cruikshank. No vote was taken at the time. It lay on the table during the Easter recess, I think, for about a month. Then when we reassembled, I distinctly remember the late Hon. Ian Mackenzie coming to me and saying that the government had considered that amendment and were going to accept that recommendation.

The CHAIRMAN: That is what I thought. The government indicated it was ready to accept it.

Mr. HERRIDGE: The vote was taken on the amendment, and it was defeated, and then the vote was taken on my amendment and it was carried unanimously. The government accepted the recommendation of the committee.

The CHAIRMAN: The committee was already sure that the government was going to accept it, when it voted.

Mr. PEARKES: Is not this a somewhat similar situation? You have said that the government is not prepared to go higher than these allowances. Surely that statement was made before the Legion presented this brief to this committee, and before this committee had an opportunity of discussing that matter. Could we not follow much the same procedure as was done in the case of the Pensions Act, where you and a parliamentary assistant interviewed the minister, and the minister saw his colleagues? I think that they would come back to an increase to these ceilings after the representations which have been made by the Legion. Could we not at least try that? Could not you and the parliamentary assistant interview the minister and tell the minister what the Legion has said and what is obviously the opinion of this committee, and then report back to the committee what the government's final decision is?

The CHAIRMAN: Well, we could take a chance on that.

Mr. PEARKES: We have to take a chance on doing something.

The CHAIRMAN: As I have already suggested to the committee, should we not pass the bill and put through the increases that have been already agreed to, and then we can consider asking the government to hear representations made to us to go further? Mr. Pearkes has suggested that we adopt the other procedure—and that is quite in order. All I am saying is that it is a matter for the committee to decide which way we should proceed.

Mr. HOSKING: The members of our party have already seen officials of the department and have made our representations to the best of our ability. You know how far we have been able to persuade them to go. After having done that, we do not think there is any one in the committee who would expect us to vote on any measure which we know is going to kill this bill. We are in that position, and it should be made perfectly clear to these people what position we are in. We have already done what you suggested. They have gone as far as we can persuade them to go.

Mr. BENNETT (*Grey North*): In spite of what was done in a previous year, I submit that this committee cannot make a recommendation here involving the expenditure of money, even if the government were in favour of it. We still have to follow the procedure which we followed last year. Even if this committee in previous years did that, I submit, with great respect and being a greenhorn at the game, that you veterans—veteran parliamentarians, that is—were wrong in that case. Since there is an expenditure of money involved, we must pass the bill and make a recommendation when we report it. I think that is clear.

With regard to General Pearkes's point that the government did not know about the Legion's brief—the Legion has been pressing for a ceiling of \$1,200 and a ceiling of \$2,000 for some time. The Legion made representations to the government, to the Prime Minister and to the minister, and I can assure you that this War Veterans Allowance Act has been studied by the minister, by the government and by the departmental officials for a long time, with the object in view of doing their best for the older veterans. I think we should say "thank you" to the minister for getting this bill, which I think is a generous bill, because it added an additional expenditure of \$9,500,000 at a time when, as we all know, governmental revenues are down and we are having trouble balancing the budget. I do not think that the veterans in my riding are any different from the veterans in other places. I have four Legion branches in my riding, and I have not heard from any of them. In fact, when I go home, the veterans thank me for this bill, and they tell me that it is a generous bill. They say, "We thought we would get a small raise, but did not expect a 20 per cent raise". I have not had a telegram or a letter about it. I think we should pass this bill and get it into effect, so that these veterans can obtain this raise right away and not two months from now.

Mr. HANNA: I should like to speak along the same lines as the two previous members of the committee who have spoken. First of all, I compliment the Legion and other veterans organizations for having given this matter very serious study and having continually kept these veterans in mind. They have the sympathetic understanding of every member of this committee, no matter to which party he belongs, but I think that even the Legion would realize that all members of this committee have been after the government to do something for war veterans' allowance recipients. At least I know that that has been the case since I have been here. As a matter of fact, in my own case, it has come to the point that when the Minister of Veterans Affairs saw me he would almost seem to avoid me because I was always bringing up the matter of war veterans' allowances, or at least I felt that that was his attitude. Now we have a bill before us which, I think, is quite generous. I also think, Mr. Chairman, that there has been considerable misunderstanding about this matter of the ceilings. We have ceilings in this bill, and I think that the minister was probably a little modest in talking about ceilings of \$840 a year for single veterans and widows and \$1,440 a year for married veterans. From my study of the bill, I should say that those are not really ceilings Mr. Chairman; they are floors. They are not maximum incomes for needy veterans; they are minimums. The other day I asked what a needy veteran who had no

other kind of income and was single would receive under this bill, and I was told by the deputy minister that he would be entitled to receive \$70 a month. In the case of a married veteran, who had no other source of income, he would be entitled to received \$120 a month. If I remember the Legion brief, they asked for an income of \$60 and \$120 a month.

I think this bill is quite generous, but I am very fearful that if we neglect to return it to the government, but instead, send them some other proposal, there will be at least some considerable delay.

I have not been here as many years as some of the other hon. members, and I have no assurance when the bill might come back to us. I feel that many veterans throughout the country are quite anxious to get that extra \$10 or extra \$30 in the case of married couples.

I feel that we should not delay the bill and that we should pass it with, possibly, certain recommendations and send it back to the House as soon as possible. I am one of those who would like to see it go back to the House in the month of March so that the deserving veterans might get their increases in their April cheques.

Mr. WEAVER: When Mr. Bennett moved his amendment to section 3 there was no doubt in the mind of anybody what the procedure was, namely, that when the recommendation was made it would be accepted by the government. There is a great deal of difference, however, between that and the amendment which Mr. White moved and which is before the committee.

I very much like the term which Mr. Hanna just used, the term of "floor" rather than "ceiling", because if there was ever a floor, this bill puts a floor under the income of anyone who can qualify for the war veterans' allowance. All the talk about a ceiling is unrealistic; but the talk of a floor is realistic; and the more I look into the War Veterans Allowance Act, together with the present amendment, the more I see how well it is designed to do the job which is required of it.

For that reason I cannot take a chance to support this amendment at all. I want to see this bill made law. Therefore the sooner it is put to the vote the better, so that we can get this bill passed.

The CHAIRMAN: I would like to point out to the committee another question of order which comes up if we should decide this motion now. We have got the proposed schedules in front of us with certain amounts set out, and if we, instead, go on record as not being in favour of them and ask the government to consider different schedules, we have actually taken a decision in this matter; and if the government leaves our report there and does not accept it, then how are we going properly to revive that question? I leave it to the committee.

Mr. BROOKS: It would stand until we get their reaction.

The CHAIRMAN: But suppose we hear that they do not intend to accept it? We have already decided it as a committee. Why should we not pass the bill as it is and have this amendment considered as a recommendation which was brought before us? We would not, by doing this, endanger the bill.

Mr. GOODE: I was one, Mr. Chairman, who, you will remember, was ruled out of order in the last Veterans Affairs Committee on a matter of exactly this nature. I must not refer to that, but I do not think you will mind my bringing it to your attention. At that time I considered the terms of the motion were quite within the means of this country to pay, and I was quite sure at that time that the veterans of British Columbia were satisfied with the terms of that motion.

Here we are giving it to them. This is what they wanted at that time. I do not think there is too much difference between the time when I moved my motion and this present time. But this, perhaps, is the big difference with this committee, namely, that the gentlemen who are sitting on the

government side have a little more responsibility—if I may be allowed to use that term—than some other gentlemen who do not sit on the government side.

The government has the responsibility of keeping this country in some fair form of financial shape. We could not do so, as Mr. Bennett said, if there is going to be some difficulty this year. I do not want to put the country in more financial difficulty than it is likely to be in; and I am satisfied with this and I am going to vote for it when the time comes.

Mr. WESELAKE: As a newcomer on this committee I am the last to speak. I feel that the aim of this legislation is to provide help where help is required. My personal feeling is that the extension of the definition of casual earnings, and a redefinition of the formula regarding the assistance fund, and the provision of medical benefits mean that help has been extended to those who need it. I feel that raising the ceilings would extend help more to those who do not need it as acutely as the ones who will receive it under the redefinition of this Act. Therefore, I propose to support this bill in its present form.

Mr. CAVERS: In the district in which I live there are nine branches of the Legion. I have received no representations from any of them to refuse this bill. Therefore, I assume that they are satisfied with its terms.

If we should refuse to accept the bill as it now stands, and if we present recommendations without passing this schedule, the government might decide not to reintroduce the bill at all. Then what is our position? No representations have been made to us not to accept what was allowed, and the veterans of the country have lost it all.

Mr. HARKNESS: Mr. Chairman, when the Legion came here to make representations with regard to the bill, they came on behalf of all the branches of the Legion. So it is ridiculous to advance an argument of that kind.

Mr. HAHN: Apparently I am one of the very few who did receive representations in respect to this bill, contrary to what Mr. Bennett and Mr. Cavers have found. I have received telegrams from the Legion in my area, as well as quite a number of letters drawing attention to the fact that this bill does not meet the requirements which the Legionaires feel should be met in looking after them at this time.

I am satisfied that, in so far as the war veteran is capable of earning casual earnings and can find a job, he is well looked after, in so far as there is \$2,040 as a ceiling for married men, and \$1,440 for single men, that is per year. But on the other hand the man who is disabled, as Mr. Quelch said earlier, and the one who has invested money and has savings—he is the fellow who needs more attention. Therefore, I must of necessity support the Legion brief and ask that we pass the amendment which Mr. White has proposed at this time.

The CHAIRMAN: I shall put the question. All those in favour of Mr. White's proposed motion will please raise their hands?

Mr. WHITE (*Hasting-Frontenac*): May we have a polled voted?

The CHAIRMAN: There is a motion by Mr. White which has already been read to you. It was seconded by Mr. Green. All those in favour of that motion will say yes or yea when their names are called, and those against it will say nay or no.

The CLERK OF THE COMMITTEE: The yeas number nine, and the nays number fifteen.

The CHAIRMAN: Then I declare Mr. White's motion lost.

We are now on clause 8, schedules A and B.

Shall clause 8 carry?

Carried.

We shall revert now to clause 3.

You have heard what the parliamentary assistant said, that if we carry this bill in its present form he intends to move in our report that the government give consideration to his amendment, which will make sure that this section will take effect from the date when the Act comes into force, in regard to the surviving spouse. Subject to that understanding shall clause 3 of the bill carry?

Carried.

Clause 4?

Carried.

Clause 5?

Carried.

Clause 6?

Carried.

Clause 7?

Carried.

Clause 9? "This Act shall come into force on the first day of the month next following the day on which this Act is assented to."

Carried.

The CHAIRMAN: Shall the title carry?

Carried.

Shall the bill carry?

Carried.

Shall I report the bill without amendment?

Agreed.

The CHAIRMAN: Now will you move your amendment, Mr. Bennett.

Mr. BENNETT (*Grey North*): Well, I have already gone on record, Mr. Chairman. Are we considering that amendment when we consider the report in camera? I have gone on record as passing that section on the understanding that that amendment be submitted to the government for their consideration.

The CHAIRMAN: That is right. This is part of our report. So I suppose we should go into camera and consider the report on the bill. Other than reporting the bill there will be this particular amendment of Mr. Bennett's, and anything else which any member wants to bring up or which members may wish to have included in the report.

Mr. BROOKS: You are not suggesting we should go into camera at 10 minutes to 10 to consider the report?

The CHAIRMAN: What I have in mind is this: I do not think there is any controversy about Mr. Bennett's motion; in that way we could carry it, and then tomorrow, if there is anything else which anyone wants to bring up, which he wishes to go in the report, there would be an opportunity to do so.

Mr. BROOKS: That would be in camera?

The CHAIRMAN: I suppose we could carry on tonight without going into camera.

An Hon. MEMBER: Is there not another bill coming before the committee?

The CHAIRMAN: This will not be the final report. We shall want to consider Mr. Bennett's motion and anything else which might properly arise.

Mr. BENNETT (*Grey North*): I was wondering if we could decide to report this bill tonight. I have been advised that the Senate is adjourning on March 31, and, if we do not get this bill reported and into the House tomorrow, we probably will not get Royal Assent until May. It is quite important for the veterans that we should get this back into the House tomorrow. I think we could arrange that.

Mr. BROOKS: I was talking to the leader of the opposition in the Senate, and he said they did not expect to adjourn until the 1st of April. They cannot go away until the bills put before the House are assented to. I do not think we should be stampeded into rushing this bill through tonight, because there are certain motions which are being moved in connection with the report. It is 10 o'clock and I object very strenuously because I think you are working on wrong premises, Mr. Bennett. The Senate is not closing on the 31st.

Mr. BENNETT (*Grey North*): I was told just three minutes ago that it was.

Mr. HAHN: That really does not make much difference, because the bill will not come into effect until the month following. If it was dealt with on April 6th, it would not come into effect until May 6.

The CHAIRMAN: Why should we not go on now and take up anything which we want to put into our report tonight? If we do not want to endanger this coming into force on the first of April, why should we not get this done tonight?

Mr. HANNA: I would like to suggest that we sit until after 10 o'clock if necessary so that this can come into effect before April.

The CHAIRMAN: Well, what do you say, Mr. Bennett? The suggestion is that we should continue sitting for a time, anyway. I think we should consider the various suggestions which people want to bring forward along with reporting the bill.

Mr. HANNA: I make that a motion—that we sit after 10 o'clock if necessary so that we may report the bill as early as possible.

Mr. HAHN: I second that.

Mr. BROOKS: We are meeting tomorrow at 3.30, tomorrow, the 25th. There is no reason why we should not finish this bill tomorrow. Surely it is not necessary to rush it through tonight. I think this is very unfair.

Mr. DICKEY: It would be even more unfair to the veterans not to do it tonight.

Mr. BROOKS: Always there is a threat thrown in.

Mr. BENNETT (*Grey North*): No. I do not see any object in holding this up. We have passed the bill. Why cannot we report it. The Veterans Benefit Act is being referred to this committee.

Mr. BROOKS: We made a resolution which has been voted down. The chairman has suggested that a recommendation similar to that one can be included in the report sent to the House. We intend to move such a motion, and we feel we should be given opportunity to do so.

The CHAIRMAN: I think the idea is that you should have the right to bring forward anything you want to bring forward tonight. You know what you want to bring forward, and the committee can deal with it. However, it is for the committee to decide. I have a motion that we should continue sitting.

Mr. ROBERGE: I move that we consider Mr. Bennett's amendment now.

The CHAIRMAN: If we consider it, we should go into camera and then we would be in a position to consider our report. We can consider Mr. Bennett's motion and any other matter which the committee wishes to bring forward. We are now at the point where we are considering our report. There is a motion that we continue sitting.

Mr. GILLIS: You have already ruled Mr. Bennett out of order in making his amendment, Mr. Chairman. He had to clear that matter with the cabinet.

The CHAIRMAN: No. Mr. Gillis. He put it in a form which could be accepted—that we ask the government to give consideration to introducing this amendment. In that form it is in order.

Mr. PEARKES: Surely it is not necessary for us to pass that amendment. A member of the government could bring it in and move it there. None of us is going to object to it.

Mr. DICKEY: It is important for this committee to approve that report.

The CHAIRMAN: I have the motion of Mr. Bennett which was made. Are you ready for the question on Mr. Bennett's motion? All in favour please raise your hands?

Carried.

The CHAIRMAN: Now then, I understand that there are some members of the committee who wish to put forward some other matters they wish to include in our report, so we will go into camera.

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Canada, Veterans Affairs
Special Committee on, 1955
HOUSE OF COMMONS

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Second Session—Twenty-second Parliament
1955

SPECIAL COMMITTEE
ON
VETERANS AFFAIRS

Chairman: W. A. TUCKER, Esq.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 6

BILL 278

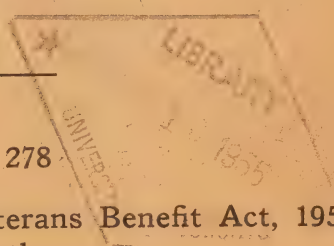
An Act to amend the Veterans Benefit Act, 1954
and report thereon

THURSDAY, APRIL 28, 1955

WITNESS:

Mr. T. D. Anderson, Dominion Secretary, Canadian Legion, B.E.S.L.

EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1955



SPECIAL COMMITTEE

ON

VETERANS AFFAIRS

Chairman: W. A. Tucker, Esq.,

and

MESSRS.

Balcom
Bennett (*Grey North*)
Brooks
Carter
Cavers
Croll
Dickey
Dinsdale
Enfield
Forgie
Gauthier (*Portneuf*)

Gillis
Goode
Green
Hahn
Hanna
Harkness
Herridge
Hosking
James
Jones
MacDougall

Murphy (*Westmorland*)
Pearkes
Philpott
Quelch
Roberge
Tucker
Weaver
Weselak
White (*Hastings-
Frontenac*)

Eric H. Jones,
Clerk of the Committee.

ORDERS OF REFERENCE

MONDAY, March 28, 1955.

Ordered,—That the name of Mr. Jones be substituted for that of Mr. Johnson (*Kindersley*) on the said Committee.

FRIDAY, April 1, 1955.

. Ordered,—That the name of Mr. Nesbitt be substituted for that of Mr. Pearkes; and

Ordered,—That the name of Mr. Churchill be substituted for that of Mr. Green; and

Ordered,—That the name of Mr. Blair be substituted for that of Mr. Brooks on the said Committee.

MONDAY, April 25, 1955.

Ordered,—That the following Bill be referred to the said Committee:
Bill No. 278, an Act to amend the Veterans Benefit Act, 1954.

TUESDAY, April 26, 1955.

Ordered,—That the name of Mr. Pearkes be substituted for that of Mr. Nesbitt; and

That the name of Mr. Green be substituted for that of Mr. Churchill; and

That the name of Mr. Brooks be substituted for that of Mr. Blair on the said Committee.

Leon J. Raymond,
Clerk of the House.

REPORT OF THE HOUSE

FRIDAY, April 29, 1955.

The Special Committee on Veterans Affairs begs leave to present the following as its

SECOND REPORT

Your Committee has considered Bill No. 278, An Act to amend the Veterans Benefit Act, 1954, and has agreed to report it without amendment.

The Canadian Legion, B.E.S.L., submitted a brief to the committee in which it recommended:

That the Department of National Defence make provision for members of the Armed Forces to contribute to unemployment insurance so that they may benefit from the Unemployment Insurance Act in the same manner as do industrial employees.

Your Committee suggests that this recommendation be given consideration by the appropriate departments of government.

A copy of the evidence adduced in respect of the said bill is appended hereto.

All of which is respectfully submitted.

WALTER A. TUCKER,
Chairman.

MINUTES OF PROCEEDINGS

THURSDAY, April 28, 1955.

The Special Committee on Veterans Affairs met at 10.30 o'clock a.m. this day. Mr. Walter A. Tucker, chairman, presided.

Members present: Messrs. Balcom, Bennett (*Grey North*), Brooks, Carter, Croll, Dinsdale, Forgie, Gauthier (*Portneuf*), Gillis, Goode, Green, Hahn, Hanna, Harkness, Hosking, MacDougall, Murphy (*Westmorland*), Philpott, Quelch, Roberge, Weaver, Weselak and White (*Hastings-Frontenac*).

In attendance: The Honourable Hugues Lapointe, Minister of Veterans Affairs; Mr. G. H. Parliament, Director General, Veterans' Welfare Services; and Mr. T. D. Anderson, Dominion Secretary, Canadian Legion, B.E.S.L.

The Committee proceeded to consider Bill No. 278, An Act to amend the Veterans Benefit Act, 1954.

The Chairman presented the Fourth Report of the Sub-committee on Agenda and Procedure as follows:

Your Sub-committee met at 2.15 o'clock p.m. on Friday, April 1, 1955, with the following members present: Messrs. Brooks, Gillis, MacDougall, Roberge and Tucker, and agreed to recommend:

That the Committee meet at the call of the Chair after the Easter recess to consider Bill No. 278, An Act to amend the Veterans Benefit Act, 1954, when it shall have been referred to the Committee, and to hear the Canadian Legion in regard to the said bill, and

That, as the Committee has already reported Bill No. 164, An Act to amend the War Veterans Allowance Act, 1952, to the House, the Federation of British Canadian Veterans of Canada be not asked to appear before the Committee but advised that if they desired to submit a written brief it would be laid before the Committee before it made its final report.

All of which is respectfully submitted.

On motion of Mr. Croll, the said report was adopted.

Mr. Anderson was called, presented a brief of the Canadian Legion, was questioned thereon and retired.

The Honourable Mr. Lapointe explained the application of the bill and answered questions thereon.

The Chairman laid on the Table a brief of the Federation of British Canadian Veterans of Canada in regard to matters of veterans' legislation. The Chairman read paragraph 6 of the brief concerning the Veterans Benefit Act.

Ordered,—That the said brief be printed as an appendix to this day's minutes of proceedings and evidence.

The Committee considered Bill No. 278, clause by clause.

Clauses 1 and 2, the preamble and the title were carried; the bill was carried.

Ordered,—That the Chairman report the said bill to the House without amendment.

The Committee continued its sitting *in camera*.

Following debate, on motion of Mr. Quelch,

Resolved,—That the report to the House on Bill No. 278 include the following:

The Canadian Legion, B.E.S.L., submitted a brief to the Committee in which it recommended:

That the Department of National Defence make provision for members of the Armed Forces to contribute to unemployment insurance so that they may benefit from the Unemployment Insurance Act in the same manner as do industrial employees.

Your Committee suggests that this recommendation be given consideration by the appropriate departments of government.

At 11.50 o'clock a.m., the Committee adjourned to the call of the Chair.

Eric H. Jones,
Clerk of the Committee.

EVIDENCE

April 28, 1955.
10.30 A.M.

The CHAIRMAN: If the committee will come to order, we will now proceed. The first item of business is the submission to the committee of the fourth report of the sub-committee on agenda and procedure which is as follows:

Your sub-committee met at 2.15 o'clock p.m. on Friday, April 1, 1955, with the following members present: Messrs. Brooks, Gillis, MacDougall, Roberge and Tucker, and agreed to recommend:

That the Committee meet at the call of the Chair after the Easter recess to consider Bill No. 278, An Act to amend the Veterans Benefit Act, 1954, when it shall have been referred to the Committee, and to hear the Canadian Legion in regard to the said bill, and

That, as the Committee had already reported Bill No. 164, An Act to amend the War Veterans Allowance Act, 1952, to the House, the Federation of British Canadian Veterans of Canada be not asked to appear before the Committee but advised that if they desired to submit a written brief it would be laid before the Committee before it made its final report.

All of which is respectfully submitted.

Mr. CROLL: I move the adoption of the report.

Mr. GREEN: Mr. Chairman, is there not some better arrangement that can be made about the meetings? One meeting has been called this morning for 10.30, and another meeting has been called for 3.30 this afternoon. There are five different committees sitting today; the External Affairs committee is sitting three times, at 11.00 o'clock, 3.30 and at 8 p.m. That committee is of vital importance to all the members from British Columbia, because the Attorney General is there, and the Minister of Lands and Forests, and that meeting has been set up for several weeks. Surely there is some way in which the conflict of these committee meetings could be avoided. I notice that we have a very small attendance here this morning, and it is really quite impossible to do justice to the work unless some better arrangement can be made for the sittings of the committees.

I suggest that this committee could very well have held off its sitting until next week, and by that time much of this rush would have been over. The bill that is to be considered today does not become of any practical effect until the first of July, so there is no time element in so far as getting the bill through is concerned.

I realize that as chairman you have great difficulty in arranging these meetings, but I do suggest that an attempt should be made to secure a time when the meetings will not conflict with other meetings. I do not see why it is necessary for this committee to sit more than once a day. That means that the work is rushed through, and is not done as thoroughly as it might otherwise be.

Mr. GOODE: Mr. Chairman, may I support Mr. Green. I find myself in difficulty today. I had to withdraw from one committee because of the meeting this morning and the broadcasting committee is sitting this afternoon at 3.30. It seems to me we should be able to make some other arrangements on a bill that is most important perhaps, but about which there is no great hurry.

The CHAIRMAN: Well, gentlemen, I cannot recall exactly what discussion there was before the agenda committee, but the understanding was that this committee should be called as soon as possible after the bill had been sent to us. We have had this meeting scheduled for quite a period of time expecting that the bill would go through the House and be referred to us. Of course, these other meetings have been called, really, since we decided to hold our meeting. The reason I called two meetings today was that I had hoped in reporting the evidence to attach to it something similar to what was done last year asking that consideration be given to certain representations made by various veterans' organizations. I thought that if we actually reported the bill with the evidence, then the question would arise how we would do that. Later it occurred to me that as there is a conflict of committee meetings, if we put through the bill today, and report it, I do not feel there would be any objection if sometime when we had time to consider the final report we brought it in in some such form as reporting that we had held meetings, and had already reported the evidence to the House, and asking that consideration be given to certain representations that have been made in those submissions. I think probably we can do it in that way, and so if we get through the bill this morning we would not have to meet this afternoon. We could meet at a time suitable to everybody in order to make our final report. That is what I thought we might do, because Mr. Green and Mr. Brooks spoke to me yesterday about this conflict and certainly we wish to meet the convenience of the members in these matters.

The brief of the Legion is very short as is the brief of the other organization that wishes to make representations. The agenda committee decided they would not ask them to appear before us personally but if they submitted a brief it would be put on our record. The bill is actually quite short, and therefore I thought if we got through this morning, all well and good, and if we did not get through this morning, we might meet sometime tomorrow instead of this afternoon.

Mr. HOSKING: Mr. Chairman, I appreciate fully the difficulty there has been with three committees meeting every day this last week and the week previous. It seems that someone is always being hurt by these committee meetings coming on top of one another, and I would like to point out that it is likely that the Minister of Trade and Commerce will be speaking and it is hoped that the very important committee being set up on atomic research will be busy the week following this and I do not think we should delay. I would suggest that we proceed. We should not have left it so long so that it conflicts with other committee meetings. I do not think anything can be gained by allowing all the committee meetings to drag back and back and crowd in on top of each other especially at a time when the sittings in the House are becoming so important. When we reach the discussion of estimates most of the members want to be in the House and not sitting on committees. I think we should get this over with and try to finish up before the next month or so, at which time we will be tied up in the House.

Mr. MacDOUGALL: Will you make a motion to that effect? I will second it.

The CHAIRMAN: The motion before the committee is to adopt the report of the subcommittee on agenda and procedure. If there is any great objection, we will not meet this afternoon, and if there is any great objection we will not meet tomorrow; but we have already met here, and the agenda committee report simply means that we should confirm our meeting here.

Hon. MEMBERS: Agreed.

Mr. GREEN: With regard to tomorrow, I would again point out that there are three meetings of the External Affairs committee tomorrow, and also a meeting of the broadcasting committee.

The CHAIRMAN: Mr. Green, I said that we will not meet tomorrow unless the committee is agreeable to meeting. All I am suggesting is that this report of the agenda committee be approved because it confirms our meeting here today.

Hon. MEMBERS: Agreed.

The CHAIRMAN: It is carried?

Hon. MEMBERS: Agreed.

The CHAIRMAN: We now have Bill 278 referred to this committee, and the Canadian Legion have asked to make a supplementary submission with regard to it. Mr. T. D. Anderson, general secretary, Dominion Command, Canadian Legion, B.E.S.L. is here to present the brief. I will ask Mr. Anderson to make the submission.

Mr. T. D. Anderson, Dominion Secretary, Canadian Legion, B.E.S.L., called.

The WITNESS: I would like first of all to express our thanks and appreciation for the opportunity of again appearing before you with this supplementary brief. Without further delay I will proceed to read it. You will note that the brief is rather short.

RE: UNEMPLOYMENT INSURANCE—ARMED FORCES

Recommendation

That the Department of National Defence make provision for members of the armed forces to contribute to unemployment insurance so that they may benefit from the Unemployment Insurance Act in the same manner as do industrial employees.

Comment

When the Veterans Benefit Act is amended in accordance with Section 2 of Bill 278, members of the armed forces who enlist after July 1st, 1955, will not be eligible to draw unemployment insurance after discharge.

There will unquestionably be a number who will be discharged for medical and other reasons from time to time, many of whom will be employable and not in receipt of either superannuation or a disability pension. Ex-service men and women in this category particularly will stand to benefit by any plan which will make it possible for them to draw unemployment insurance benefits.

In addition there will be a number who will leave insurable employment to enlist, and in most cases they will lose all entitlement to benefits during their term of service. This consideration may well be an important factor when the individual is deciding whether or not to enlist.

On the basis suggested the service man and the department would contribute equally, while the government would contribute one-fifth of the combined contribution of both.

The WITNESS: That, Mr. Chairman, is the submission, but before I take my seat I would like to take this opportunity to express thanks and appreciation to yourself and the members of this committee for the good work you have done in the interests of veterans over the years. I know I can do so on behalf of all members of the Canadian Legion. Many of the members who are here today have served on this committee for a good many years, and we want you to know that we deeply appreciate the sympathetic, kindly and sincere interest which you have at all times shown in the welfare of Canadian veterans and their dependents.

The CHAIRMAN: Are there any questions which any member of the committee would like to ask of Mr. Anderson?

Mr. GILLIS: Have you talked to any of the members in the services who may be affected by this bill as to whether or not they are willing to make that contribution? A great many of them are rather skeptical about taking more off their pay cheque.

The WITNESS: I think that is true, Mr. Chairman. Naturally, we have not been able to contact any large number of them. We are thinking, as the Legion almost invariably does, of those people who are likely to find themselves being discharged, as I say in the brief, for medical reasons and so on. They, after all, are the people in whom we are interested. There is no question about it; there will be a number, as there are in all phases of employment throughout the country, who will not be too fond of the idea of contributing to this fund, but by and large I think I can say that we have the interests of the unfortunate people in mind in suggesting this.

Mr. GOODE: You do not set a time limit in regard to this first paragraph of comment. According to this, a person could join the armed forces and leave the following day, or perhaps within two weeks, and he would still be able to draw unemployment insurance; is that what you mean? Are you including that group of people? You set no time limit as far as enlistment is concerned.

The WITNESS: We are putting them in exactly the same category as an employee in any other industry, are we not? We want them to have the same benefits.

Hon. Mr. LAPOINTE: You would want the same conditions that apply to ordinary civilian employees—

The WITNESS: That is correct.

Mr. GOODE: It did not say that in the brief.

Mr. MACDOUGALL: There is no compulsory feature about this, is there?

Hon. Mr. LAPOINTE: I do not see how you could possibly let some come in and keep others out. When you bring a certain class in under the Unemployment Insurance Act you bring the whole group in.

Mr. BENNETT (*Grey North*): Have you taken into consideration the fact that the army, the air force and the navy deduct 5 to 6 per cent at the present time from the pay of people who serve which, if they stay in for a long period, is applied to their pension, but which, if they get out, let us say, in five years, is given to them in a lump sum, with the result that an officer at the end of the five-year term could receive a payment of \$3,000, and a private, a payment of \$1,000 to \$1,500, plus the fact that they get a longer period of leave with pay at the end of the term amounting to many days. Those benefits I think would amount to much more than ordinary unemployment insurance. I was wondering if the Legion had taken cognizance of those two benefits that do apply to the armed services, when they submitted this brief?

The WITNESS: Yes, we are of course aware of the superannuation benefits available to them on discharge or release, but that still does not completely protect the individual who for medical reasons has to be discharged a year or two after enlistment.

Mr. BENNETT (*Grey North*): Would he be entitled to unemployment insurance if he was not able to work?

The WITNESS: If he were in insurable employment previous to his enlistment.

Mr. MACDOUGALL: Do we judge from this that it is largely for the protection of the short-term servicemen?

The WITNESS: Yes, I think, frankly speaking, that is the group which would benefit to the greatest extent by this. A man who makes a career of the armed forces and stays in until he comes to the period when his superannuation will pay benefits will actually lose, as a matter of fact.

Mr. CROLL: Those short-term people are a great minority, are they not, as compared to the great majority who appear to resent making a contribution which they are not likely to get back; is that not the situation?

The WITNESS: At the moment, Mr. Chairman, I think that is correct; in fact, I know it is. We do not know what the situation is going to be in the next five to ten years, however. All of you here can remember the days when the armed forces were reduced to an irreducible minimum, and a good many people were thrown out. Jobs were difficult to find, and there was no protection for that group which was discharged at that time. At the moment it would not appear that that is likely to happen, or that that situation would likely be repeated in the foreseeable future, but it could happen.

The CHAIRMAN: The minister is not a member of the committee, but he has indicated that he would be prepared to make some observations. Is it agreed that he be heard?

Hon. MEMBERS: Agreed.

Hon. Mr. LAPOINTE: Actually Mr. Chairman, I did not wish to make observations, but I did want an opportunity to question Mr. Anderson. I think my points have been more or less covered by the previous questions. What I had in mind was that the Veterans Benefit Act gave the unemployment insurance to members of the regular forces who were enlisted for not more than three years. In other words, if a member of the regular forces further re-enlisted after his three years, this privilege or benefit did not exist any more. Now, I cannot help thinking, as Mr. Gillis and Mr. Croll have pointed out, that the majority of the members of the armed forces who join the forces to make a career of it and who re-enlist after their three-year enlistment period is over—at least, I believe in the case of the army this is so, but the period of enlistment is longer in the navy and air force—

Mr. ANDERSON: Five years.

Hon. Mr. LAPOINTE: Yes, five years—that these people would be rather reluctant to contribute, because they intend to stay there and make a career of it. They are aware of the benefits they receive under the Defence Services Pension Act to which Mr. Bennett referred. Under the terms of that Act, after a certain number of years in the service, if they are discharged for any reason whatsoever, they will draw a pension to which they have contributed, and would probably not be called upon to draw any benefits under the Unemployment Insurance Act. I cannot help thinking that the majority of the regular armed forces would not want such a scheme because of the different conditions of service which exist there as compared to civilian employees. That is my personal opinion.

Mr. ANDERSON: I think what the minister has said is true. I think it is also true to say that no one who feels that he is in a permanent position wants to contribute to unemployment insurance benefits, but the reason the fund is there is because no one is certain he will be permanently employed. I do not know how far you want to extend this or how far you think it should be extended; it is a question and one that has certainly never been definitely decided in any quarter up to the present time. I believe the minister may have been suggesting that perhaps we could have this apply to the people who stay in only for the first three-year period, is that correct?

Hon. Mr. LAPOINTE: Either that, or a set term. I think the entire suggestion is worthy of consideration but I was thinking of some of the difficulties that might be in the way.

Mr. ANDERSON: I do not think it would be satisfactory but on the other hand it would not protect the group I mentioned in answering Mr. Croll's question; that situation arises where any large numbers are let out. They might be people who were only in for a short period of time and if that situation

arose we would have a serious unemployment situation. It is a matter of deciding what is the best policy, and it would depend on what would happen in the future, because the future is always uncertain.

Mr. BROOKS: When this matter came up in the House on second reading I recommended what Mr. Anderson is recommending this morning, and it pleases me to think that great minds sort of run along the same channel. I felt it established two classes in the army, for one thing. Before July 1 all those who enlist will have the benefit of this unemployment insurance. After July 1, of course, those who enlist will not have that benefit. Also, one of the arguments which seemed sound to me was that these men should be treated the same as civilians. This is employment for the soldier. He is a soldier and this is his employment. The civilian has the benefits of the unemployment insurance when he ceases to be employed. I think that when a member of the armed forces, once he decides to give up his employment, if it is only three years, should be treated the same as a civilian and should not be asked to go without employment for some time and without some benefits. Mr. Bennett spoke about the contribution they make and receive back from the pension fund. That is their own money. They paid it in and they get it back. That money has been paid in by these men themselves and I do not think that comes into the picture at all. I realize that there are quite a few arguments against contributing to unemployment insurance. For instance, Mr. Gillis spoke about the men not caring to contribute and I think Mr. Anderson answered him adequately—the contributions are made by the government.

Mr. GILLIS: I did not say they did not care to contribute. I asked if he had checked with any of them to ascertain if they wanted to contribute.

Mr. BROOKS: I do not think there is any great objection to it; I have not heard of any.

Mr. GILLIS: That is simply because they do not know anything about it as yet.

Mr. BROOKS: I do not think there has been any great objection. I can see, as Mr. Anderson has pointed out, that there are some advantages and to my mind the advantages outweigh the disadvantages. I would be in favour of giving serious consideration to the Legion's brief.

Mr. HARKNESS: I wish to make one observation. To me the army is a profession and I think we should be very careful about what we are asking these boys to do—those in the army. I am all in favour of this thing. If they want it by all means let us do it. However, every time I go into a bank and start discussing the question of unemployment insurance with the bank manager and the accountants they inform me that there never has been and that there never will be an unemployed bank manager. They ask why they should contribute to unemployment insurance when there is little or no chance of their getting anything out of it. I think the majority of those in the service would take the attitude of the bank managers.

It is the policy in banks across the country, and I think it is only right, that the banks very carefully weed out in the first year or two of employment any employees who are likely to be unemployable, and they do not let them stay, but once you are in a bank—

Hon. Mr. LAPOINTE: You are stuck!

Mr. HARKNESS: —it would be similar to the army attitude. They might not like paying the dues very much, but the army also weeds out in the first short period the ones who are likely to be those who would require unemployment insurance, and the boys that stay are there for the full period of time. I could see them taking the attitude, "I will never draw a cent of this; why

should I contribute?" Like Mr. Gillis, I feel that as long as they are in favour of it, let them have it, but I would ask that a very careful study be made of what the actual situation is.

Mr. GILLIS: If you are going to make a deduction from someone's pay envelope, you should be pretty sure he is agreeable to it. In respect to his pay the soldier is not exactly in the same position as a worker in industry. To start with he has his assignment of pay to his wife, which is quite substantial. Also, he has a 5 per cent to 6 per cent deduction for superannuation purposes, and if he is going in the regular forces and intends to make that his permanent employment, another deduction is made which is merely a contribution to the fund. I think he is likely to object to this unless he has been consulted. Most of the veterans I meet today with whom I discuss the question of separated family allowance, protest the amount they have to assign their families. As far as I am concerned, as I see the Legion's recommendation, it is a good thing for the fund. I also agree with him that no one likes to pay if he feels he has no chance of benefiting by it.

I think if you were to take a poll among the railroaders you would find that they resent paying unemployment insurance, because they say, "We will never be unemployable." In relation to the members of the services, I think if you cut them off at three years and protect them for a three-year period, that would be the thing to start with. And then if the other thing which Mr. Anderson anticipates comes up, it could be changed. I think that if you want to get your foot in we should have a cut-off date after three years.

Mr. QUELCH: It was mentioned that if you have a cut-off date in July, it would be discrimination against the soldier who has to contribute and he would undoubtedly feel that he was being discriminated against. The one who wants to contribute and is not allowed to do so, would also feel that he is being discriminated against, and in that event all the soldiers would feel they are being discriminated against. I feel that until there is a definite opinion expressed by the soldiers themselves we should continue the contributions as they are at the present time, and if a growing volume of protests start to come in—and the army is never hesitant in beefing if they feel strongly about a subject—then that would be the time to cut off the unemployment insurance.

An Hon. MEMBER: What is the contribution at the present time?

Hon. Mr. LAPOINTE: There is no contribution made by the personnel. The Department of Veterans Affairs pays into the fund an amount which constitutes both the employers' and the employees' contribution by making a contribution of 96 cents a week for each man as he is being discharged. The contribution is made for the men being discharged.

An Hon. MEMBER: At the time of discharge?

Hon. Mr. LAPOINTE: Yes.

An Hon. MEMBER: In other words, what has been said here about contributions from the armed services personnel does not apply?

Hon. Mr. LAPOINTE: No, it would not.

Mr. GILLIS: I did not say he contributed to this fund. It is to the superannuation fund, which is a different thing altogether.

Mr. BENNETT (*Grey North*): Has the Legion any objection to Bill 278 in its present form?

Mr. ANDERSON: No, except that we would like to see these people protected in some way—again I am referring to people who are likely to be released for medical reasons and so on. We certainly have had no serious objection raised by anyone to any of the features of the bill. Before I resume my seat,

I should like to say one more word. With regard to the suggestion that the viewpoint of the members of the armed forces should be ascertained, it would be desirable to obtain their opinion if there was any manner in which that could be done; we would be very much in favour of it. We are not anxious to bring about anything which the armed forces would not want. We simply feel that it would be an advantage to them and that is the only reason we suggest this. If the suggestion is overwhelmingly opposed by the members of the armed forces themselves we would not consider it.

Mr. QUELCH: I should like to ask the minister if it would not be possible to hold this in abeyance until the opinion of the soldiers has been obtained.

Hon. Mr. LAPOINTE: I hardly think so. As you know, these benefits were extended to the members of the regular forces at the time of the Korean conflict. It was brought in in this manner because of the changes in the composition of the 25th brigade in Korea which started off by being a brigade regarded as a special force on 18 months enlistment for the purposes of the Korean campaign. Eventually the special force as such disappeared through the members of it being either discharged upon termination of their enlistment, or through disability, or voluntarily transferring to the regular force, and signing an enlistment for a three-year period in the regular force. Therefore, the whole of the Korean force was eventually composed of members of the regular force, and this amendment was then brought into the Veterans Benefit Act, so that we could give the people who enlisted to go to Korea and serve there the same privileges as had been given to the members of the original special force and to World War II veterans; but through the change in the composition of the force, all these people were now regular force, and the amendment was made in the manner in which it now appears in the Act. It was never the intention that members of the regular forces who enlisted at any time and served in peacetime, and who might never be called upon to serve in a theatre of operation, should enjoy benefits under legislation designed for veterans who served in a theatre of operation; that is why this amendment is being brought in. None of these people are in a theatre of operation any longer. The reason the cut-off date has been placed on the first of July, 1955, was in order that everyone who enlisted into the regular force would have due notice that this benefit would cease on the first of July. Undoubtedly it would mean that for a short period, there will be, as Mr. Brooks pointed out, some members of the force to whom this Act will apply, and others to whom it will not, but that applies in many other cases in the armed services. One illustration which occurs to me, for instance, is the Defence Services Pension Act. Their conditions of pension are different depending on the time at which they joined the regular force. The old timers who might still be in the defence services have conditions of pension which are different from those who enlist now. That is bound to happen in view of changing conditions of service in any armed service.

The CHAIRMAN: As I understand it, Mr. Minister, the idea is that we are taking away from the Department of Veterans Affairs any obligation they have to contribute—to, in effect, at present, a peace-time occupation—and what may be done with regard to unemployment insurance it is thought should be left to the Department of Labour and the Department of National Defence. That is, it is their business, and we should not mix in it as the Department of Veterans Affairs. It seems to me that is a reasonable attitude to take. I remember very well when this unemployment insurance scheme was being set up and the suggestion was made to bring bank employees into the scheme. They said, "This is a scheme to help support the fund, and not to help us." Members of the armed forces might feel the same way about it. I am quite satisfied if this is carried, and everyone is under unemployment insurance who is in the armed

forces in peacetime the question would be asked why the government should contribute in respect to people in the armed forces when they do not contribute in respect to people in other occupations.

Mr. GILLIS: Fishermen, for example.

The CHAIRMAN: —and it would be said if they are going to be under the scheme, they should contribute to it. It seems to me before getting into the position of getting them in the back door in this way we should remember other similar groups did not want to get into it because they figured it was a scheme to help them carry the plan. It would be better for the Department of Veterans Affairs to withdraw as proposed, and leave it up to the armed services themselves, and the Department of National Defence and the Department of Labour to decide what they wished to do about unemployment insurance. I feel that the Department of Veterans Affairs are quite right in saying that it should not be under the obligation of appropriating money to look after people who are serving in peacetime armed forces. This department's job, I think, is to look after veterans who served during periods of wartime.

Hon. Mr. LAPOINTE: That is right. I might point out one thing which I mentioned yesterday in the estimates committee, and I may be permitted to repeat it here. One should recall the reason why unemployment insurance was brought into the Veterans Benefit Act. After World War II veterans who upon being discharged were unemployed, could draw what was called at that time "out of work allowances" which were benefits of about, I think, parallel amounts to the benefits to be drawn under the Unemployment Insurance Act. When the Korean conflict developed and the special force was raised, the government, as it will be recalled, was committed to give to the men who served in Korea the same advantages and benefits as had accrued to the veterans of World War II. However, as regards the out of work allowances, experience following the post World War II period had shown that those could be best administered through the offices of the unemployment insurance, and a very close liaison had to be maintained with the unemployment insurance office and the administration of the out of work allowances. In fact they were the ones who were called upon to do the work. Following a conference and a discussion between the authorities of the two departments, we arrived at the conclusion that by far the most efficient and practical way to give the Korean veterans benefits similar to the out of work allowances following World War II, was to have the government contribute into the unemployment insurance fund on behalf of each one of the men who were serving in Korea, and upon their being discharged to provide them with benefits under the Act. At all times, it was intended to be for people serving in Korea—in a theatre of operation—and it was not to be considered as a condition or term of service for people of the regular forces serving in peacetime because it would not have come under the Veterans Benefit Act or the jurisdiction of this department. It seems to me that this amendment is purely a question of putting our house in order.

Mr. HARKNESS: Apart from a man serving in a theatre of operation, we are in a period of what is generally called "cold war" and these people may be in an area of operations at any time. Also, I think we have to bear in mind that there are two general classes of men in the armed forces. One class might be called straight professional soldiers, people who intend to make the armed forces a career. When their first term of enlistment is up, they promptly re-enlist for a second, and then a third time, and so forth. The other group is composed of people, mostly young fellows, who put in their first three years. Perhaps they are discharged during that period for various reasons. It may be because the army does not think they are going to be good soldiers or it may be because of reasons of health or something else. Many of them at the end of three years have decided they do not want to make the army a career and

they do not re-enlist. The number of these people is quite considerable and I think they need some protection such as unemployment insurance or something else. I am not aware of the actual number of discharges from the armed forces last year—in 1954—but I think it was something like 10,000 or 15,000.

Hon. Mr. LAPOINTE: It was about 13,000, I think.

Mr. HARKNESS: —and that was the year after which all the people who specially enlisted for Korea either re-enlisted or got out. That was a year in which the Korean situation did not apply at all.

Hon. Mr. LAPOINTE: Yes, it did apply, Mr. Harkness, because it was a year when some of the special force who had transferred to the regular force saw the termination of their three- year period of enlistment in the regular force.

Mr. HARKNESS: There must have been few of those because the regular force people, joined up in 1950. In any event, many of them were people who had not joined up for the Korean force but for the first term of service and they were discharged. Therefore, we have a very considerable number who are discharged from the armed forces every year—the minister indicated about 13,000 out of a total of about 100,000 all told. You see, that is a high percentage, and it seems to me under those circumstances that the people who serve for three years or less should be protected. I am inclined to agree with the proposal I understood Mr. Gillis to put forward that people should be protected by unemployment insurance during their first three years of service. Once they have joined up for a second or a third term then it could be removed if it is known that they intend to make the army their career and they do not need the unemployment insurance. The people who are serving their first term do need it, I think, and it seems to me that it would be proper to work something out to protect them.

Mr. MACDOUGALL: Mind you, I am not at all adverse to the suggested amendment to Bill 278, but I am very strongly of the opinion which was expressed by Mr. Harkness. I know that in the bank where I have my overdraft, they always tell me that we are a bunch of so-and-so's because they have to contribute to unemployment insurance. I do not make this motion in order to kill the situation at all, which is generally the term that is applied when you move that a bill or an amendment be given a six-month hoist. It seems to me, however, that what Mr. Quelch has said is applicable in many cases across Canada. As members of the House we all realize that it is pretty tough on occasions to impose contributions on either civilians or servicemen without having some idea as to how that imposition is going to be accepted by those who have to pay the shot. Surely through the various branches of the services some idea could be ascertained before this time next year as to how the servicemen feel with respect to this measure.

What my good friend Mr. Harkness said is true to an extent. We will say, for instance, about 10 per cent of the armed forces are discharged for various reasons before the expiry of their three-year period.

Mr. HARKNESS: Most of them just do not re-enlist after the three-year period.

Mr. MACDOUGALL: Yes, so I would move, Mr. Chairman, particularly in the light of Mr. Anderson's statement that Bill 278 is a good bill, and that this objection is, at the moment, not one that we can be too dogmatic about; I would suggest, sir, or rather I move—will you second it Mr. Quelch?—that the amendment as suggested concerning unemployment insurance for the armed forces be given a six-month hoist.

The CHAIRMAN: I am not certain what you mean, Mr. MacDougall. Are you suggesting that the bill itself be given a six-month hoist?

Mr. MACDOUGALL: No, just the amendment suggested by Mr. Anderson.

The CHAIRMAN: I simply put this out as a suggestion. The bill is in front of us and in reporting the bill we might suggest that some consideration be given by Labour and National Defence to the question of applying unemployment insurance to those who have had a period of short service in the army or something along that line. I do not see any reason why we should not suggest that the matter be studied and that the wishes of the armed forces be ascertained and that the whole thing be treated as would be the case with any other group who, it is felt, should be brought under unemployment insurance.

Mr. MACDOUGALL: That is precisely what I said, Mr. Chairman; precisely what I said.

The CHAIRMAN: I see. Then I see no reason why we should not consider this as part of our report in reporting the bill.

Mr. DINSDALE: I understand that with reference to unemployment insurance that any group of government employees can have themselves included in the program if they express that desire, is that correct?

Hon. Mr. LAPOINTE: I am not too familiar with the complexities of the Unemployment Insurance Act, but I do not think the mere fact that a group of employees express the desire to become insurable, guarantees that they become insurable. It calls for an amendment to the Act.

The CHAIRMAN: To the regulations under the Act.

Hon. Mr. LAPOINTE: Yes, it calls for an amendment to the regulations. That is the class of employees who can benefit under the Unemployment Insurance Act is determined by the regulations passed under the authority of the Act.

Mr. DINSDALE: Those regulations could be changed?

Hon. Mr. LAPOINTE: Oh yes, but the mere fact that a group of employees expresses a desire to become insurable when they are not insurable does not mean that this request is automatically granted.

Mr. DINSDALE: Oh no, they have to negotiate, of course.

Hon. Mr. LAPOINTE: But the civil servants do come under the Unemployment Insurance Act up until the time they are superannuated.

Mr. DINSDALE: This might be a good topic for discussion in the Current Affairs Bureau Department.

Mr. QUELCH: I think that would be the best solution, if we could make it optional, and allow the decision to rest with the soldiers as to whether or not they need it and then no one would have any grievance, but it would require a change in the Unemployment Insurance Act before that could be done.

The CHAIRMAN: This simply removes the Department of Veterans Affairs from the position of contributing to the fund on behalf of peacetime soldiers which is recognized as being unfair when we are not doing it for anyone else. In other words, everyone who comes under the Unemployment Insurance Act pays his own share of the cost of it, and the idea is that the Department of Veterans Affairs should not continue to pay the share of people serving in the peacetime army because there are lots of people who probably need that help just as much who are paying unemployment insurance. There is nothing to prevent the people in the armed forces making representations to be brought under the Act, and the Department of Labour then recommending a change in the regulations to bring them in subject to such conditions as have been mentioned. The only purpose of the bill is to obviate the necessity of the Department of Veterans Affairs doing something for the armed services in peacetime which it does not do for people in other occupations.

Mr. PHILPOTT: I suggest that we get on with the clause by clause discussion of the bill, and leave this discussion until later recommendations.

The CHAIRMAN: I would make the simple recommendation that, as to persons serving in the armed forces, the question whether it is desirable that they be brought under unemployment insurance be studied.

Mr. MacDOUGALL: Could the situation not be handled in this way, Mr. Chairman, that we accept Bill 278, and in the acceptance of it ask consideration for the amendment that has been suggested.

The CHAIRMAN: In our report we can say that we recommend that consideration be given to the application of unemployment insurance to the armed service in peacetime. We could put that in our report as an additional paragraph when reporting the bill.

Some Hon. MEMBERS: Agreed.

Mr. GILLIS: I think we should be more specific.

The CHAIRMAN: Could we discuss that when we come to our report? At that time we could discuss how specific we should be.

I have a brief from the Federation of British Canadian Veterans of Canada. The brief deals with the War Veterans Allowance Act, the elimination of the means test prevailing in the War Veterans Allowance Act, the Re-instatement in Civil Employment Act and the Canadian Pension Act, but there is one clause that deals with the Veterans Benefit Act. I would like to read that clause, and get your consent to having the entire brief inserted as an appendix to the evidence? Is that agreed?

Some Hon. MEMBERS: Agreed.

The CHAIRMAN: I will now read paragraph 6 dealing with the Veterans Benefit Act:

The Veterans Benefit Act—The Federation is pleased, and content, with any new amendments to this Act which will benefit the veteran, but, from practical experience administering various sections of it the veteran discharged from the armed forces, or special forces is penalized for, at least, six months, after discharge, from making application for unemployment insurance benefits, if his discharge is for reason of misconduct. If he cannot find suitable employment after discharge the penalty creates a longer period.

That is their submission on this question.

Mr. GOODE: The only question about it is this. Are we going to have the record in time to bring in the report?

The CHAIRMAN: I have already read the paragraph that concerns the bill. What I had in mind with regard to war veterans' allowances was that I thought we would not be bringing in our final report until we were certain there was no further legislation to be brought in. So I did not have in mind consideration of that report until there was ample time to deal with it. You are a member of the committee, Mr. Lapointe?

Hon. Mr. LAPOINTE: No.

The CHAIRMAN: You have no objection to our deferring our final report until we are certain there is no further legislation?

Hon. Mr. LAPOINTE: No.

The CHAIRMAN: Now, we have the actual bill, gentlemen.

Mr. WHITE (*Hastings-Frontenac*): You explained that the Department of Veterans Affairs had been making contributions on behalf of the soldiers and that you wanted to remove this obligation from the Department of Veterans Affairs. If it is taken from that department, what department is then going to pay the contribution on behalf of the soldiers?

The CHAIRMAN: After July 1st, they will be in the same position as any other person in any other type of employment. If they want to be brought under the Act, they will have to make representation and persuade the Minister of Labour to recommend an order in council.

Mr. QUELCH: Who will make representations?

The CHAIRMAN: I suppose the armed forces themselves will make them.

Mr. QUELCH: And the Department of National Defence?

The CHAIRMAN: Yes, if they think their troops would like to contribute to the scheme, they will take it up with them themselves.

Mr. WHITE (*Hastings-Frontenac*): That means that the soldiers who are entitled to unemployment insurance now will lose their entitlement after July 1st?

Some Hon. MEMBERS: No, no.

Hon. Mr. LAPOINTE: Only those who enlist after July 1st will not profit. The Act is applicable to those who enlisted for only a period of three years.

Mr. WHITE (*Hastings-Frontenac*): About how much does it amount to?

Hon. Mr. LAPOINTE: The estimate for this year is \$1,365,000 on the basis of 1,100 payments per month at an average of \$100 per claim. In my mind, this is being paid by the Department of Veterans Affairs on behalf of the Department of National Defence.

The CHAIRMAN: Clause 1; carried?

Carried.

Clause 2, carried?

Carried.

Shall the preamble carry?

Carried.

Shall the title carry?

Carried.

Shall I report the bill without amendment?

Agreed.

The CHAIRMAN: Now in addition to reporting the bill, we can at this point discuss anything which we might include in our report when reporting the bill, and for that purpose we will now go in camera.

APPENDIX

BRIEF OF

FEDERATION OF BRITISH CANADIAN VETERANS OF CANADA

1. *War Veterans Allowance Act*—The federation is pleased to learn that the government intends, at the present session of parliament, to increase the basic benefits of this Act by twenty per cent, and amend respective sections of the said Act to the benefit of certain recipients eligible for the same. Since the Act was amended in May of 1950 to embrace the Imperial and Allied veteran, and widow, some 4,000 of these have been enjoying the benefits of the Act when the government introduced the domicile section in our favour—the culmination of several previous appearances before respective veterans' committees, commencing from

1944. This Federation is fully, and with content, organized on a national basis, representing fifteen thousand British-Canadian veterans (Imperial and Allied) of World Wars I and II.

2. The War Veterans Allowance Act is divided into two very important schedules: sections 3 and 4. In view of the fact that there are 41,000 receiving benefit under the Act, which includes veterans and widows, in 1954, only 1,300 have taken advantage of the benefits of section 4, thus, without prejudice, and with sound reasoning, in so far as section 3 is concerned it can become an Old Age Veterans' Security Act for all who are eligible, at the ages of sixty and fifty-five respectively.

3. Section 4, of the W.V.A. Act, was legislated to answer the appeal by various veteran bodies, and older veterans, to allow them the privilege of increasing their benefits by entering suitable employment on a part-time basis, without any compulsion to do so. It was an incentive. We propose to submit reasons from practical experience working daily with this section of the Act, in particular, why it is not working to a much more advantageous degree, than shown by statistics.

4. The Federation, therefore, recommends that the age limitation now prevailing in the Act should be lowered, for future applicants eligible, to the age of fifty-five, male only, and placed under section 4 for benefit on a month-to-month basis—reporting each week to the nearest National Employment Service office for suitable employment.

5. Elimination of the Means Tests—prevailing in the W.V.A. Act for all male recipients who reach the age of seventy years, and all females at the age of sixty-five.

6. *The Veterans Benefit Act*—The Federation is pleased, and content, with any new amendments to this Act which will benefit the veteran, but, from practical experience administering various sections of it the veteran discharged from the armed forces, or special forces is penalized for, at least, after discharge, from making application for unemployment insurance benefits, if his discharge is for reason of misconduct. If he cannot find suitable employment after discharge the penalty creates a longer period.

7. *Reinstatement to Civilian Employment—section of the Veterans Benefit Act*—Four major industrial and commercial corporations of national importance have requested that, during the hearings of the committee the comparison between theirs and the government's qualifications of the seniority standards are vastly opposite.

8. *The Canadian Pension Act*—The Federation is content with the regulations governing this Act, excepting section 25 of the same, dealing with awards for meritorious service. The degree of award to the veteran or his dependents is not regulated. From examples which will be submitted, we shall endeavour to show why it should be regulated.

The aforementioned paragraphs contain the views, recommendations and constructive opinions of the entire membership of the Federation, and are, therefore, respectfully submitted to the parliamentary Committee on Veterans Affairs for hearing.

(Sgd.) Stephen G. Jones,
Past President—
Welfare and Pensions Officer.

(Sgd.) Harry E. Woodhouse,
Dominion Command Secretary.

March 26, 1955.

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